

**KENTUCKY RETIREMENT SYSTEMS  
BOARD OF TRUSTEES  
REGULAR QUARTERLY MEETING  
SEPTEMBER 12, 2019 AT 10:00 A.M., ET  
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

1. Roll Call
2. [Approval of Minutes – May 16, 2019\\*](#)
3. Public Comment
4. [Retiree Health Plan Committee Report and Recommendations\\* - David Rich/Connie Pettyjohn](#)
5. [Investment Committee Report and Recommendations\\*- Dave Harris/Rich Robben](#)
6. [Audit Committee Report\\*- John Chilton/ Kristen Coffey/Rebecca Adkins](#)
  - [Hazardous Duty Position Requests\\*](#)
  - [Audit Committee Charter Approval\\*](#)
  - [Financial Statements](#)
7. Legislative Issues
  - [HB 1](#)
  - Fixed Allocation Funding
  - 2020 General Assembly
  - [APA Special Audit](#)
  - [Process for Staff to Work with The Board on Legislative Issues](#)
  - SB2 Code of Ethics- Trustee Confirmation
8. [Document Process and Storage- Anne Baker](#)
9. KRS Update- David Eager/Rebecca Adkins
10. New Business
11. Closed Session [Pending Litigation KRS 61.810(1)(c)]
12. Adjourn

*\*Board Action required*

**MINUTES OF MEETING #423**  
**BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS**  
**QUARTERLY MEETING MAY 16, 2019 AT 10:00A.M.**  
**1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the Quarterly Meeting of the Board of Trustees held on May 16, 2019 the following members were present: David Harris (Chair), Joe Brothers, John Chilton, Raymond Connell, William Cook, Kelly Downard, John Farris, David Gallagher, Sherry Kremer, Matthew Monteiro, Keith Percy, Betty Pendergrass, Jerry Powell, David Rich and Sec. Thomas Stephens. Staff members present were David Eager, Erin Surratt, Kathy Rupinen, Joe Bowman, Vicki Hale, D’Juan Surratt, Ann Case, Connie Davis, Connie Pettyjohn, Rich Robben, Jared Crawford, Kristen Coffey, Shawn Sparks and Alane Foley. Also present were Larry Totten, Michele Hill, Joe Graviss, Lesley Bilby, Tom Loftus, John Wade, Tyler Offerman, Teresa Sanders, Jim McWilliams, Brian Wilkerson, Stacy Woodrum, Eric Kennedy, Kelci Webb, Scott Whitaker, William Codell, Kris Mann, Zach Ireland, Seth Dawson, Cara Stewart, Joni Jenkins, Sarah Bishop, Larry Loew, Carla Whaley and Ray DeBolt.

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Mr. Harris called the meeting to order.

Ms. Alane Foley called roll.

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Mr. Harris introduced agenda item *Approval of Minutes- April 18, 2019*. A motion was made by Mr. Brothers and seconded by Mr. Powell to approve the minutes as presented. The motion passed unanimously.

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Mr. Harris introduced agenda item *Public Comment*. Mr. John Wade spoke to the Board Members regarding assumptions and employee contribution rates.

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Mr. Harris introduced agenda item *Investment Committee and Portfolio Update*. Mr. Robben provided details to the Board regarding investment performance and staff activities. Mr. Chilton moved and was seconded by Mr. Farris to ratify the recommendation of the Investment Committee to invest up to \$75 mil in Middle Ground Partners I. The motion passed by majority vote (Ms. Pendergrass dissenting) .

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Mr. Harris introduced agenda item *Audit Committee Report*. Ms. Connie Davis provided an overview of the *Proportionate Share Audit*. Ms. Pendergrass moved and was seconded by Mr. Brothers to approve the audit as presented. The motion passed unanimously.

Ms. Connie Davis presented *Financial Statements and Budget-to-Actual Expenses*, Ms. Ann Case presented *Cash Flow/ Net Position Reports*. These reports were presented for informational purposes only.

Mr. D’Juan Surrat reviewed the *CERS Agency Participation* request with the Board. Sec. Stephens moved and was seconded by Mr. Powell to approve Nelson County Emergency 911 Dispatch Center participation in CERS under non-hazardous coverage. The motion passed unanimously. Ms. Pendergrass abstained.

Mr. D’Juan Surratt reviewed *Hazardous Duty Position* requests with the Board. Sec. Stephens moved and was seconded by Mr. Powell to approve hazardous duty coverage as presented. The motion passed unanimously. Ms. Pendergrass abstained.

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Mr. Harris introduced agenda item *Retiree Health Plan Committee Report*. Ms. Connie Pettyjohn provided an update to the Board from the last Retiree Health Plan Committee meeting. This was provided for informational purposes only.

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Mr. Harris introduced agenda item *Fiduciary Liability Insurance*. Mr. Eager reviewed the insurance renewal options with the Board. Ms. Pendergrass moved and was seconded by Mr. Peercy to choose self-insurance until the Board can discuss additional details and review options of insurance versus self-insurance. The motion passed unanimously.

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Mr. Harris introduced agenda item *Committee Assignment Approval*. A copy of committee assignments was provided to the Board Members. No action was taken. This was provided for informational purposes at this time.

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Mr. Harris introduced agenda item *KRS Update*. Mr. Eager discussed proposed legislation and KRS facilities. Ms. Erin Surratt discussed IT Security.

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A motion was made by Mr. Rich and seconded by Mr. Chilton to go in to closed session. The motion passed unanimously.

Mr. Harris read the following statement and the meeting moved into closed session: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege. All public attendees exited the meeting.

The meeting was called back into open session. No action was taken.

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There being no further business, a motion was made at 12:25 p.m. by Mr. Rich and seconded by Mr. Powell to adjourn the meeting, to meet again on September 12, 2019 or upon the call of the Executive Director or the Chair of the Board of Trustees. The motion passed unanimously.

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Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held May 16, 2019, except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.



## **CERTIFICATION**

I do certify that I was present at this meeting, and I have recorded the above actions of the Directors on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

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Recording Secretary

We, the Chair of the Board of Directors of the Kentucky Retirement Systems and Executive Director of the Kentucky Retirement Systems, do certify that the Minutes of Meeting Number 423, held on May 16, 2019, were approved on September 12, 2019.

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Chair of the Board of Directors

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Executive Director

I have reviewed the Minutes of the May 16, 2019 Board of Trustees Meeting for content, form, and legality.

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Executive Director  
Office of Legal Services

## KENTUCKY RETIREMENT SYSTEMS

**TO:** Members of the of the Kentucky Retirement Systems Board of Trustees

**FROM:** Retiree Health Plan Committee

**DATE:** September 12, 2019

**SUBJECT:** Retiree Health Plan Committee Report

The Retiree Health Plan Committee met on Thursday, September 05, 2019 to discuss and make recommendations regarding the non-Medicare and Medicare eligible health plans for KRS retirees for the 2020 plan year. The recommendations of the Committee are documented below in the bolded red font.

### **Non Medicare-Eligible Retirees (KEHP Plan).**

1. Recommendation as to what the monthly maximum contribution amount for the Non-Medicare Eligible plan. Including the contribution for the hazardous Duty Spouse/Dependents

**NOTE:** See Kentucky Retirement Systems KEHP 2020 Presentation, this contains the information for Board Decision Points:

- Tobacco Use fee
- Access to the Consumer Directed Health Plans with embedded HRA
- Proposed LivingWell Promise discount
- 2020 KEHP plan premiums were available as a confidential handout during the Committee meeting.
- **Retiree Health Plan Committee recommends that the KRS Board select the KEHP LivingWell PPO plan option as the contribution plan and set the contribution rate (see the confidential handout for the LivingWell PPO plan at the single premium) as the 100% contribution the Trust will pay for a retiree with a service credit of 240 months of service or greater and a participation date prior to July 1, 2003.**
- **Because the Committee recommends the selection of the LivingWell PPO as the contribution plan, the hazardous rates would be tied to the rates for the LivingWell PPO Couple, Parent Plus and Family plans.**
- **The Committee recommends the Tobacco Use Fee remains unchanged for 2020. Retirees (including spouses and dependents) who are tobacco users will be responsible for paying the Tobacco Use Fee.**
- **The Committee recommends Retirees or Planholders that failed to complete the LivingWell promise for plan year 2019 will not be entitled to the discount for 2020. The fee/discount remains unchanged for 2020.**

- **The Committee recommends allowing access to the Consumer Directed Health Plans with embedded HRA.**

2. Recommendation as to whether KRS should default retirees/beneficiaries and their dependents into a plan for 2020.

Each year there are retirees who, due to unforeseen circumstances, failed to submit an application during open enrollment. KRS is without the statutory authority to permit those persons to enroll without a qualifying event. As a result, KRS' Board promulgated an administrative regulation, 105 KAR 1:410, which was effective 2/6/2015, to allow KRS to default retirees and their dependents into a health plan so that these individuals will not be without coverage for the year simply because they forgot to enroll during open enrollment or as a new retiree. Each year several decisions must be made by the Board to facilitate the administration of the default process:

- a. Recommendation as to which plan should be the default plan.

DEI is defaulting employees into the **LivingWell Limited High Deductible Plan**; however, the Board may choose any of the four plans as a default plan.

- b. Recommendation as to the circumstances under which retirees and their dependents should be defaulted into a plan for 2020.
  - i. KRS Management recommends new retirees be defaulted into a single level of coverage.
  - ii. KRS Management recommends retirees and beneficiaries not currently enrolled in a plan will not be defaulted into a plan.
  - iii. KRS Management recommends that retirees and beneficiaries currently enrolled in a plan for 2019 be rolled over/defaulted into the same plan at the same level of coverage for the 2020 plan year if they fail to submit a health insurance application during open enrollment.

- **Retiree Health Plan Committee recommends that the KRS Board allow retirees that fail to complete a health insurance application during a mandatory open enrollment be rolled over to the same plan they were enrolled in for 2019 at the same level of coverage.**
- **A new retiree shall be defaulted into the LivingWell Limited High Deductible plan as described above in 2b (i), (ii), and (iii).**

3. Cross Reference Retirees with Active Employee Spouse: KRS 61.702(3)(a)5 provides the employer's contribution for the working member or spouse to be applied toward the premium, and the KRS insurance trust fund shall pay the balance not to exceed the monthly contribution. The Cross Reference plan is a

Family plan. Unless, amended by the Board, the Cross Reference contribution will equal the monthly maximum contribution determined above.

**Retiree Health Plan Committee recommends that the KRS Board allow retirees described in 3 above the option to select the Cross Reference plans.**

4. Hazardous Duty Spouse and Eligible Dependent Verification. KRS hazardous duty members are required to remit the Form 6256 (Designation of Spouse and/or Dependent Child for Health Insurance Contribution) each year during Open Enrollment for the next plan year if they are covering an eligible spouse or dependent. Unless advised by the Board to change the process, KRS will continue the process decided upon during the February 18, 2016 Board Meeting. If the retiree fails to submit the form, the health insurance contribution will not be funded for the spouse/dependent until the form is submitted. When the form is submitted KRS will reimburse any premium contribution owed to the retiree. If a retiree fails to submit the form during the plan year KRS will not reimburse the premium if the request is received after December 31<sup>st</sup> of the plan year.

**Retiree Health Plan Committee recommends that the KRS Board continue the process described in 4 above. Retirees will be eligible for reimbursement of premiums for the 90 days prior to the receipt of the Form 6256. For example if the form is submitted June 3, 2020, the reimbursement will be for March – May 2020 (KRS is unable to process partial months of premium).**

### **Medicare-Eligible Retirees**

1. Recommendation as to what the contribution rate should be for the Medicare-Eligible plan for 2020.

**NOTE:** See PowerPoint Presentation, from Humana and Information from Gabriel Roeder Smith (GRS).

- **Retiree Health Plan Committee recommends the contribution rate for the KRS Premium Plan remain at the 2019 rate of \$252.51 as the 100% contribution the Trust will pay for a retiree with a service credit of 240 months of service or greater (the premium paid to Humana will be \$250.75).**
- **The Committee recommends setting the contribution rate for the KRS Premium Plan as the 100% contribution the Trust will pay for a hazardous duty spouse and/or an eligible dependent.**
- **The Committee recommends the premiums for the KRS Essential Plan at \$75.56 (the amount paid to Humana will be \$63.15).**
- **The Committee recommends the Medical Only Plan premium at \$176.26, the Medicare Advantage Mirror Premium Plan at \$314.76, and the Medicare Advantage Mirror Essential Plan at \$215.00.**

- **The Committee recommends approval of an added dental plan component to the Premium and Essential plans which is a benefit enhancement that costs an additional \$4.00 and is included in the rates above.**
2. Recommendation as to whether KRS should continue to pay for the additional administrative fees for retirees who are required to enroll in one of the Mirror plans and who fall under certain exceptions. Recommendation that individuals without Medicare Part B be allowed to enroll in the Mirror Plans and the individual would be responsible for the additional cost above the contribution amount. When the individual obtains Part B, KRS will transition them to the Medicare Advantage Plan they choose on the Insurance Application.

On September 15, 2016, the Board approved payment for administrative fees (estimated \$62.25 per month for 2020) for individuals who need to be enrolled in one of the Mirror Plans for several enumerated reasons (administrative exceptions):

- Individual is scheduled for a transplant or surgery at a hospital that Humana confirms will not accept Humana Medicare Advantage for said procedure for said individual.
- Individual is undergoing treatment by a specialist that Humana confirms will not accept Humana Medicare Advantage for said treatment for said individual.
- Individual resides outside Humana's Filed and Approved MA-PPO network service area where Humana affirms there are provider access issues (e.g., non-acceptance of Humana Medicare Advantage

Note: KRS has 1 retiree that meets this criteria.

- **Retiree Health Plan Committee recommends that KRS continue to pay the administrative fee for administrative exceptions in 2020, under the circumstances set forth in the three bullet points above.**
  - **The Committee recommends that an individual without Medicare Part B be allowed to enroll in the Medicare Advantage Mirror Plans and they will be responsible for paying the additional cost above the contribution amount.**
3. Recommendation as to whether KRS should default retirees and their dependents into a plan for 2020.

Each year there are retirees who, due to unforeseen circumstances, failed to submit an application during open enrollment. KRS is without the statutory authority to permit those persons to enroll without a qualifying event. As a result, KRS' Board promulgated an administrative regulation, 105 KAR 1:410 which was effective 2/6/2015, to allow KRS to default retirees and their dependents into a health plan so that these individuals will not be without coverage for the year simply because they forgot to enroll during open enrollment or as a new retiree.

- a. If the Committee recommends that KRS default retirees and their dependents into a plan, recommendation as to which plan should be the default plan.

Due to federal law/regulations, the Medical Only or Mirror Plan without Prescription Drug coverage would be the only option available as a default plan for the Medicare-eligible population.

- b. If the Committee recommends that KRS default retirees and their dependents into a plan, recommendation as to the circumstances under which retirees and their dependents should be defaulted into a plan for 2020.

- i. KRS Management would recommend that current enrollees and new retirees be defaulted into a plan. Retirees and beneficiaries not currently enrolled would not be defaulted into a plan.
  - ii. Current enrollee would be defaulted at the same level of coverage as the previous/current plan year (single).
  - iii. New retirees would be defaulted into a single level of coverage.
- **Retiree Health Plan Committee recommends that Medicare eligible retirees (and their dependents) who fail to enroll in a plan during a mandatory open enrollment, as a new retiree, or becoming Medicare eligible be defaulted into the KRS Medical Only Plan as set forth in 3b (i), (ii), and (iii) above.**
  - **The Committee recommends that the spouse and dependents that are not Medicare eligible be defaulted into the same Kentucky Employees Health Plan at the same Level/Option as the previous/current plan year (Single, Parent Plus, Couple, and Family).**

4. Hazardous Duty Spouse and Eligible Dependent Verification. KRS hazardous duty members are required to remit the Form 6256 (Designation of Spouse and/or Dependent Child for Health Insurance Contribution) each year during Open Enrollment for the next plan year. Unless advised by the Board to change the process, KRS will continue the process decided upon during the February 18, 2016 Board meeting. If the retiree fails to submit the form, the health insurance contribution will not be funded for these dependents until the form is submitted. When the form is submitted KRS will reimburse any premium owed to the retiree. If a retiree fails to submit the form during the plan year KRS will not reimburse the premium if the request is received after December 31st of the plan year.

**Retiree Health Plan Committee recommends that the KRS Board continue the process described in 4 above. Retirees will be eligible for reimbursement of premiums for the 90 days prior to the receipt of the Form 6256. For example if the form is submitted June 3, 2020, the reimbursement will be for March – May 2020 (KRS is unable to process partial months of premium).**

**RECOMMENDATION:** The Retiree Health Plan Committee recommends approval of the above decisions by the Kentucky Retirement Systems Board of Trustees.



## KENTUCKY RETIREMENT SYSTEMS INVESTMENTS



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To: KRS Board of Trustees  
From: Richard Robben, Executive Director of Investments  
Date: September 12th, 2019  
Subject: Report on Recent Investment Committee Activities

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### Investment Activity

#### *New Investments*

***J.P. Morgan GEM Emerging Markets Equity mandate*** (International Equity) – On August 27<sup>th</sup>, the Investment Committee approved an investment of a minimum of 5% and a maximum of 7% of all plan's international equity exposure to this mandate. Initial funding is roughly \$175mm.

***Pzena Emerging Markets Equity Select Value mandate*** (International Equity) – On August 27<sup>th</sup>, the Investment Committee approved an investment of a minimum of 5% and a maximum of 7% of all plan's international equity exposure to this mandate. Initial funding is roughly \$175mm.

***Next Century Micro-Cap Growth Equity mandate*** (US Equity) - On August 27<sup>th</sup>, the Investment Committee approved an investment of a minimum of 2.5% and a maximum of 3.5% of all plan's US equity exposure to this mandate. Initial funding is roughly \$75mm.

***Capital Spring*** (Specialty Finance) - On August 27<sup>th</sup>, the Investment Committee approved an investment of \$200mm into a separate account with this lending firm focused on the quick service and fast casual restaurant market.

***Arrowmark Partners*** (Opportunistic) - On August 27<sup>th</sup>, the Investment Committee approved an additional investment of \$300mm to Arrowmark, bringing their total commitment from KRS to \$625mm. This is a regulatory capital relief mandate.

***Lord Abbett Short Duration*** (Core Fixed Income) – At a special meeting on July 25th, the IC voted to authorize the sale of \$550mm of an existing investment in the BNY Intermediate Credit Index CTF, and reinvest the proceeds into the existing Lord Abbett Short Duration separate account. The IC also voted to designate the Lord Abbett account as the holding spot for any frictional cash available with our plans.

***Middleground Partners I L.P.*** (Private Equity) - On August 27<sup>th</sup>, the Investment Committee approved an investment of \$75mm into this leveraged buyout fund focused on the US industrial and distribution markets.

## Other Actions

The IC voted to transition the remaining balance of the BlackRock ACWI-Ex US Index portfolio to the BlackRock World Ex-US Index strategy.

## Asset Allocation

KRS - PENSION FUND ALLOCATIONS											9/2/2019
Category	KERS - PEN					KERSH - PEN					
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff	
<b>Growth</b>	<b>\$ 1,191,257,287</b>	<b>53.1%</b>	<b>53.50%</b>	<b>-0.4%</b>	<b>\$ (8,445,661)</b>	<b>\$ 429,789,614</b>	<b>63.0%</b>	<b>62.50%</b>	<b>0.5%</b>	<b>\$ 3,462,665</b>	
US Equity	\$ 339,717,240	15.1%	15.75%	-0.6%	\$ (13,466,338)	\$ 127,229,026	18.7%	18.75%	-0.1%	\$ (669,059)	
Non-US Equity	\$ 350,694,045	15.6%	15.75%	-0.1%	\$ (2,489,534)	\$ 131,856,111	19.3%	18.75%	0.6%	\$ 3,958,027	
Private Equity	\$ 201,015,129	9.0%	7.00%	2.0%	\$ 44,044,650	\$ 60,521,358	8.9%	10.00%	-1.1%	\$ (7,690,953)	
High Yield/Specialty Credit	\$ 299,830,873	13.4%	15.00%	-1.6%	\$ (36,534,440)	\$ 110,183,118	16.2%	15.00%	1.2%	\$ 7,864,651	
<b>Liquidity</b>	<b>\$ 734,126,954</b>	<b>32.7%</b>	<b>23.50%</b>	<b>9.2%</b>	<b>\$ 207,154,631</b>	<b>\$ 149,208,253</b>	<b>21.9%</b>	<b>14.50%</b>	<b>7.4%</b>	<b>\$ 50,300,401</b>	
Core Fixed Income	\$ 501,176,189	22.3%	20.50%	1.8%	\$ 41,476,928	\$ 132,237,310	19.4%	13.50%	5.9%	\$ 40,150,689	
Cash	\$ 232,950,765	10.4%	3.00%	7.4%	\$ 165,677,703	\$ 16,970,942	2.5%	1.00%	1.5%	\$ 10,149,711	
<b>Diversifying Strategies</b>	<b>\$ 315,247,819</b>	<b>14.1%</b>	<b>23.00%</b>	<b>-8.9%</b>	<b>\$ (200,512,327)</b>	<b>\$ 101,607,857</b>	<b>14.9%</b>	<b>23.00%</b>	<b>-8.1%</b>	<b>\$ (55,280,460)</b>	
Real Return	\$ 168,841,621	7.5%	15.00%	-7.5%	\$ (167,523,692)	\$ 58,496,605	8.6%	15.00%	-6.4%	\$ (43,821,863)	
Real Estate	\$ 88,818,717	4.0%	5.00%	-1.0%	\$ (23,303,054)	\$ 27,112,526	4.0%	5.00%	-1.0%	\$ (6,993,630)	
Abs Ret / Opportunistic	\$ 57,587,482	2.6%	3.00%	-0.4%	\$ (9,685,581)	\$ 15,998,727	2.3%	3.00%	-0.7%	\$ (4,464,966)	
Miscellaneous	\$ 1,803,357	0.1%	0.00%	0.1%	\$ 1,803,357	\$ 1,517,394	0.2%	0.00%	0.2%	\$ 1,517,394	
<b>TOTAL PORTFOLIO</b>	<b>\$2,242,435,418</b>					<b>\$682,123,118</b>					

Category	CERS - PEN					CERSH - PEN					
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff	
<b>Growth</b>	<b>\$4,610,284,276</b>	<b>64.8%</b>	<b>62.50%</b>	<b>2.3%</b>	<b>\$ 160,810,136</b>	<b>\$1,540,777,047</b>	<b>64.4%</b>	<b>62.50%</b>	<b>1.9%</b>	<b>\$ 44,992,598</b>	
US Equity	\$1,345,729,342	18.9%	18.75%	0.2%	\$ 10,887,100	\$ 449,168,949	18.8%	18.75%	0.0%	\$ 433,614	
Non-US Equity	\$1,436,848,552	20.2%	18.75%	1.4%	\$ 102,006,310	\$ 480,265,389	20.1%	18.75%	1.3%	\$ 31,530,055	
Private Equity	\$658,442,548	9.2%	10.00%	-0.8%	\$ (53,473,314)	\$ 224,348,185	9.4%	10.00%	-0.6%	\$ (14,977,327)	
High Yield/Specialty Credit	\$1,169,263,833	16.4%	15.00%	1.4%	\$ 101,390,040	\$ 386,994,524	16.2%	15.00%	1.2%	\$ 28,006,256	
<b>Liquidity</b>	<b>\$1,373,085,980</b>	<b>19.3%</b>	<b>14.50%</b>	<b>4.8%</b>	<b>\$ 340,807,979</b>	<b>\$475,152,589</b>	<b>19.9%</b>	<b>14.50%</b>	<b>5.4%</b>	<b>\$ 128,130,597</b>	
Core Fixed Income	\$1,225,495,602	17.2%	13.50%	3.7%	\$ 264,409,187	\$ 418,827,492	17.5%	13.50%	4.0%	\$ 95,738,051	
Cash	\$147,590,378	2.1%	1.00%	1.1%	\$ 76,398,792	\$ 56,325,097	2.4%	1.00%	1.4%	\$ 32,392,546	
<b>Diversifying Strategies</b>	<b>\$1,134,351,526</b>	<b>15.9%</b>	<b>23.00%</b>	<b>-7.1%</b>	<b>\$ (503,054,957)</b>	<b>\$ 375,576,140</b>	<b>15.7%</b>	<b>23.00%</b>	<b>-7.3%</b>	<b>\$ (174,872,537)</b>	
Real Return	\$647,047,277	9.1%	15.00%	-5.9%	\$ (420,826,516)	\$ 220,502,156	9.2%	15.00%	-5.8%	\$ (138,486,112)	
Real Estate	\$301,995,329	4.2%	5.00%	-0.8%	\$ (53,962,603)	\$ 95,437,837	4.0%	5.00%	-1.0%	\$ (24,224,919)	
Abs Ret / Opportunistic	\$185,308,920	2.6%	3.00%	-0.4%	\$ (28,265,839)	\$ 59,636,147	2.5%	3.00%	-0.5%	\$ (12,161,506)	
Miscellaneous	\$1,436,842	0.0%	0.00%	0.0%	\$ 1,436,842	\$ 1,749,342	0.1%	0.00%	0.1%	\$ 1,749,342	
<b>TOTAL PORTFOLIO</b>	<b>\$7,119,158,623</b>					<b>\$2,393,255,118</b>					

Category	SPRS - PEN					PENSION TOTAL FUND					
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff	
<b>Growth</b>	<b>\$152,029,883</b>	<b>53.9%</b>	<b>53.50%</b>	<b>0.4%</b>	<b>\$ 1,101,169</b>	<b>\$ 7,924,138,106</b>	<b>62.3%</b>	<b>60.7%</b>	<b>1.6%</b>	<b>\$ 201,920,907</b>	
US Equity	\$ 43,479,576	15.4%	15.75%	-0.3%	\$ (952,709)	\$ 2,305,324,132	18.1%	18.2%	0.0%	\$ (3,767,392)	
Non-US Equity	\$ 46,324,112	16.4%	15.75%	0.7%	\$ 1,891,827	\$ 2,445,988,209	19.2%	18.2%	1.1%	\$ 136,896,685	
Private Equity	\$ 18,587,689	6.6%	7.00%	-0.4%	\$ (1,159,993)	\$ 1,162,914,910	9.1%	9.4%	-0.3%	\$ (33,256,937)	
High Yield/Specialty Credit	\$ 43,638,506	15.5%	15.00%	0.5%	\$ 1,322,044	\$ 2,009,910,855	15.8%	15.0%	0.8%	\$ 102,048,551	
<b>Liquidity</b>	<b>\$88,575,355</b>	<b>31.4%</b>	<b>23.50%</b>	<b>7.9%</b>	<b>\$ 22,279,565</b>	<b>\$ 2,820,149,130</b>	<b>22.2%</b>	<b>16.3%</b>	<b>5.9%</b>	<b>\$ 748,673,172</b>	
Core Fixed Income	\$ 71,025,778	25.2%	20.50%	4.7%	\$ 13,193,281	\$ 2,348,762,371	18.5%	14.9%	3.6%	\$ 454,968,136	
Cash	\$ 17,549,576	6.2%	3.00%	3.2%	\$ 9,086,284	\$ 471,386,759	3.7%	1.4%	2.3%	\$ 293,705,036	
<b>Diversifying Strategies</b>	<b>\$ 41,148,884</b>	<b>14.6%</b>	<b>23.00%</b>	<b>-8.4%</b>	<b>\$ (23,736,357)</b>	<b>\$ 1,967,932,228</b>	<b>15.5%</b>	<b>23.0%</b>	<b>-7.5%</b>	<b>\$ (957,456,637)</b>	
Real Return	\$ 23,184,353	8.2%	15.00%	-6.8%	\$ (19,132,109)	\$ 1,118,072,012	8.8%	15.0%	-6.2%	\$ (789,790,291)	
Real Estate	\$ 11,542,673	4.1%	5.00%	-0.9%	\$ (2,562,815)	\$ 524,907,081	4.1%	5.0%	-0.9%	\$ (111,047,020)	
Abs Ret / Opportunistic	\$ 6,421,858	2.3%	3.00%	-0.7%	\$ (2,041,434)	\$ 324,953,135	2.6%	3.0%	-0.4%	\$ (56,619,326)	
Miscellaneous	\$ 355,623	0.1%	0.00%	0.1%	\$ 355,623	\$ 6,862,558	0.1%	0.0%	0.1%	\$ 6,862,558	
<b>TOTAL PORTFOLIO</b>	<b>\$282,109,745</b>					<b>\$12,719,082,022</b>					



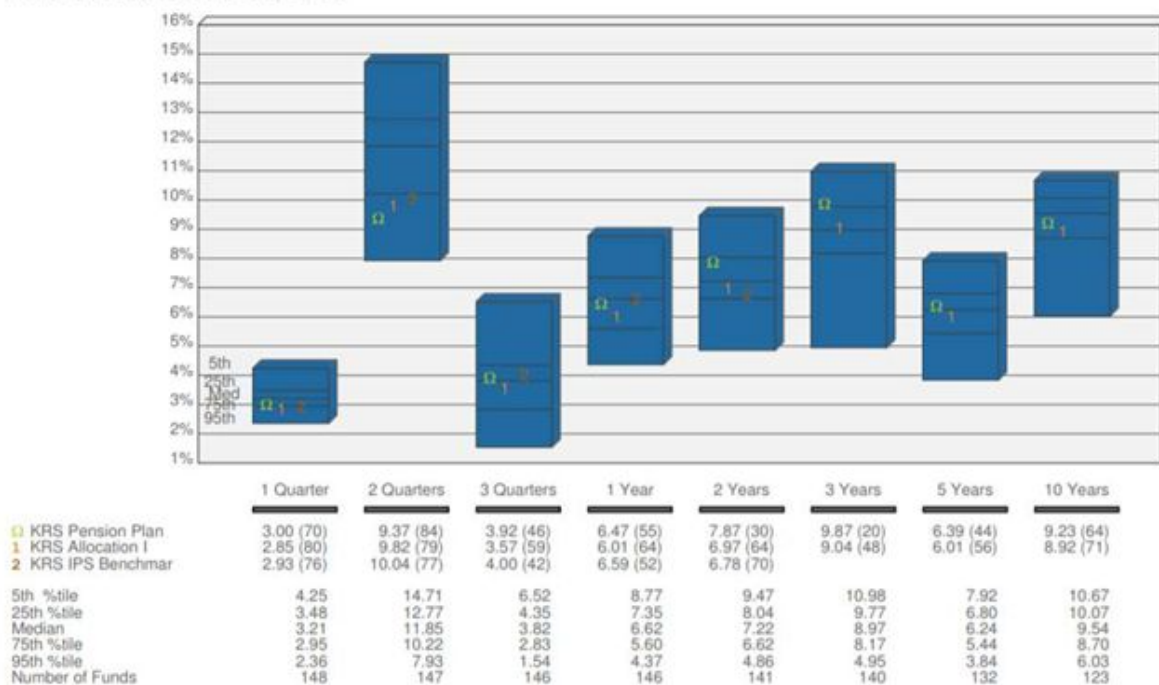
## Insurance Plans

Category	KERS - INS					KERSH - INS				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$ 564,119,391	61.7%	62.50%	-0.8%	\$ (7,520,239)	\$ 330,029,599	64.5%	62.50%	2.0%	\$ 10,414,832
US Equity	\$ 182,639,406	20.0%	18.75%	1.2%	\$ 11,147,516	\$ 98,043,553	19.2%	18.75%	0.4%	\$ 2,159,123
Non-US Equity	\$ 191,513,889	20.9%	18.75%	2.2%	\$ 20,022,000	\$ 106,216,289	20.8%	18.75%	2.0%	\$ 10,331,859
Private Equity	\$ 52,268,089	5.7%	10.00%	-4.3%	\$ (39,194,252)	\$ 51,599,601	10.1%	10.00%	0.1%	\$ 461,239
High Yield/Specialty Credit	\$ 137,698,008	15.1%	15.00%	0.1%	\$ 504,496	\$ 74,170,155	14.5%	15.00%	-0.5%	\$ (2,537,388)
Liquidity	\$ 219,223,474	24.0%	14.50%	9.5%	\$ 86,603,080	\$ 97,641,690	19.1%	14.50%	4.6%	\$ 23,491,064
Core Fixed Income	\$ 199,529,374	21.8%	13.50%	8.3%	\$ 76,055,214	\$ 89,791,815	17.6%	13.50%	4.1%	\$ 20,755,026
Cash	\$ 19,694,100	2.2%	1.00%	1.2%	\$ 10,547,866	\$ 7,849,875	1.5%	1.00%	0.5%	\$ 2,736,039
Diversifying Strategies	\$ 131,330,751	14.4%	23.00%	-8.6%	\$ (79,032,633)	\$ 83,740,672	16.4%	23.00%	-6.6%	\$ (33,877,562)
Real Return	\$ 76,550,734	8.4%	15.00%	-6.6%	\$ (60,642,777)	\$ 45,549,541	8.9%	15.00%	-6.1%	\$ (31,158,003)
Real Estate	\$ 31,666,043	3.5%	5.00%	-1.5%	\$ (14,065,127)	\$ 23,257,648	4.5%	5.00%	-0.5%	\$ (2,311,533)
Abs Ret / Opportunistic	\$ 23,113,974	2.5%	3.00%	-0.5%	\$ (4,324,728)	\$ 14,933,483	2.9%	3.00%	-0.1%	\$ (408,026)
Miscellaneous	\$ (50,207)	0.0%	0.00%	0.0%	\$ (50,207)	\$ (28,335)	0.0%	0.00%	0.0%	\$ (28,335)
TOTAL PORTFOLIO	\$ 914,623,409					\$ 511,383,626				
										\$ 10,414,832
Category	CERS - INS					CERSH - INS				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$1,535,973,260	63.5%	62.50%	1.0%	\$ 24,531,985	\$830,486,526	64.5%	62.50%	2.0%	\$ 25,799,550
US Equity	\$ 462,031,331	19.1%	18.75%	0.4%	\$ 8,598,948	\$ 247,097,747	19.2%	18.75%	0.4%	\$ 5,691,654
Non-US Equity	\$ 478,206,234	19.8%	18.75%	1.0%	\$ 24,773,852	\$ 257,713,063	20.0%	18.75%	1.3%	\$ 16,306,970
Private Equity	\$ 272,343,981	11.3%	10.00%	1.3%	\$ 30,513,377	\$ 153,689,004	11.9%	10.00%	1.9%	\$ 24,939,088
High Yield/Specialty Credit	\$ 323,391,714	13.4%	15.00%	-1.6%	\$ (39,354,192)	\$ 171,986,713	13.4%	15.00%	-1.6%	\$ (21,138,161)
Liquidity	\$496,742,069	20.5%	14.50%	6.0%	\$ 146,087,693	\$251,412,566	19.5%	14.50%	5.0%	\$ 64,725,187
Core Fixed Income	\$ 452,281,023	18.7%	13.50%	5.2%	\$ 125,809,708	\$ 224,395,065	17.4%	13.50%	3.9%	\$ 50,582,678
Cash	\$ 44,461,046	1.8%	1.00%	0.8%	\$ 20,277,985	\$ 27,017,501	2.1%	1.00%	1.1%	\$ 14,142,509
Diversifying Strategies	\$ 385,724,340	16.0%	23.00%	-7.0%	\$ (170,486,049)	\$ 205,671,223	16.0%	23.00%	-7.0%	\$ (90,453,584)
Real Return	\$ 219,616,317	9.1%	15.00%	-5.9%	\$ (143,129,589)	\$ 114,280,579	8.9%	15.00%	-6.1%	\$ (78,844,295)
Real Estate	\$ 100,902,014	4.2%	5.00%	-0.8%	\$ (20,013,288)	\$ 55,281,579	4.3%	5.00%	-0.7%	\$ (9,093,379)
Abs Ret / Opportunistic	\$ 65,206,009	2.7%	3.00%	-0.3%	\$ (7,343,172)	\$ 36,109,065	2.8%	3.00%	-0.2%	\$ (2,515,910)
Miscellaneous	\$ (133,629)	0.0%	0.00%	0.0%	\$ (133,629)	\$ (71,153)	0.0%	0.00%	0.0%	\$ (71,153)
TOTAL PORTFOLIO	\$ 2,418,306,040					\$ 1,287,499,161				
Category	SPRS - INS					INSURANCE TOTAL FUND				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$124,563,383	63.9%	62.50%	1.4%	\$ 2,814,712	\$ 3,385,172,159	63.6%	62.5%	1.1%	\$ 56,040,840
US Equity	\$ 36,888,715	18.9%	18.75%	0.2%	\$ 364,114	\$ 1,026,700,752	19.3%	18.75%	0.5%	\$ 27,961,356
Non-US Equity	\$ 37,763,188	19.4%	18.75%	0.6%	\$ 1,238,587	\$ 1,071,412,663	20.1%	18.75%	1.4%	\$ 72,673,268
Private Equity	\$ 23,322,799	12.0%	10.00%	2.0%	\$ 3,843,012	\$ 553,223,475	10.4%	10.0%	0.4%	\$ 20,562,464
High Yield/Specialty Credit	\$ 26,588,680	13.6%	15.00%	-1.4%	\$ (2,631,001)	\$ 733,835,270	13.8%	15.0%	-1.2%	\$ (65,156,247)
Liquidity	\$39,931,533	20.5%	14.50%	6.0%	\$ 11,685,841	\$ 1,104,951,331	20.7%	14.5%	6.2%	\$ 332,592,865
Core Fixed Income	\$ 35,775,899	18.4%	13.50%	4.9%	\$ 9,478,186	\$ 1,001,773,177	18.8%	13.5%	5.3%	\$ 282,680,812
Cash	\$ 4,155,634	2.1%	1.00%	1.1%	\$ 2,207,655	\$ 103,178,154	1.9%	1.0%	0.9%	\$ 49,912,053
Diversifying Strategies	\$ 30,313,694	15.6%	23.00%	-7.4%	\$ (14,489,817)	\$ 836,780,681	15.7%	23.0%	-7.3%	\$ (388,339,645)
Real Return	\$ 15,865,448	8.1%	15.00%	-6.9%	\$ (13,354,233)	\$ 471,862,620	8.9%	15.0%	-6.1%	\$ (327,128,897)
Real Estate	\$ 8,883,016	4.6%	5.00%	-0.4%	\$ (856,878)	\$ 219,990,300	4.1%	5.0%	-0.9%	\$ (46,340,205)
Abs Ret / Opportunistic	\$ 5,565,230	2.9%	3.00%	-0.1%	\$ (278,706)	\$ 144,927,761	2.7%	3.0%	-0.3%	\$ (14,870,543)
Miscellaneous	\$ (10,736)	0.0%	0.00%	0.0%	\$ (10,736)	\$ (294,061)	0.0%	0.0%	0.0%	\$ (294,061)
TOTAL PORTFOLIO	\$ 194,797,874					\$ 5,326,610,110				

## Performance

Performance was mixed over the past fiscal year, with the KERS Non-Hazardous and SPRS plans exceeding their assumed rates of return, while the other 3 pension plans, and all 5 insurance plans all trailed their return targets. The pension and insurance plans also underperformed their benchmarks this year, with the pension pool posting a net return of 5.83% versus a benchmark return of 6.00% and the Insurance aggregate pool returning 5.67% versus a benchmark return of 5.89%. The largest contributor to the relative underperformance was our US Equity portfolio which underperformed its benchmark by 1.24%, and our Core Fixed Income portfolio which underperformed by .80%. Private Equity was once again the strongest performing asset class, posting a return of 11.50% in our Pension plans and 10.88% in the Insurance portfolios.

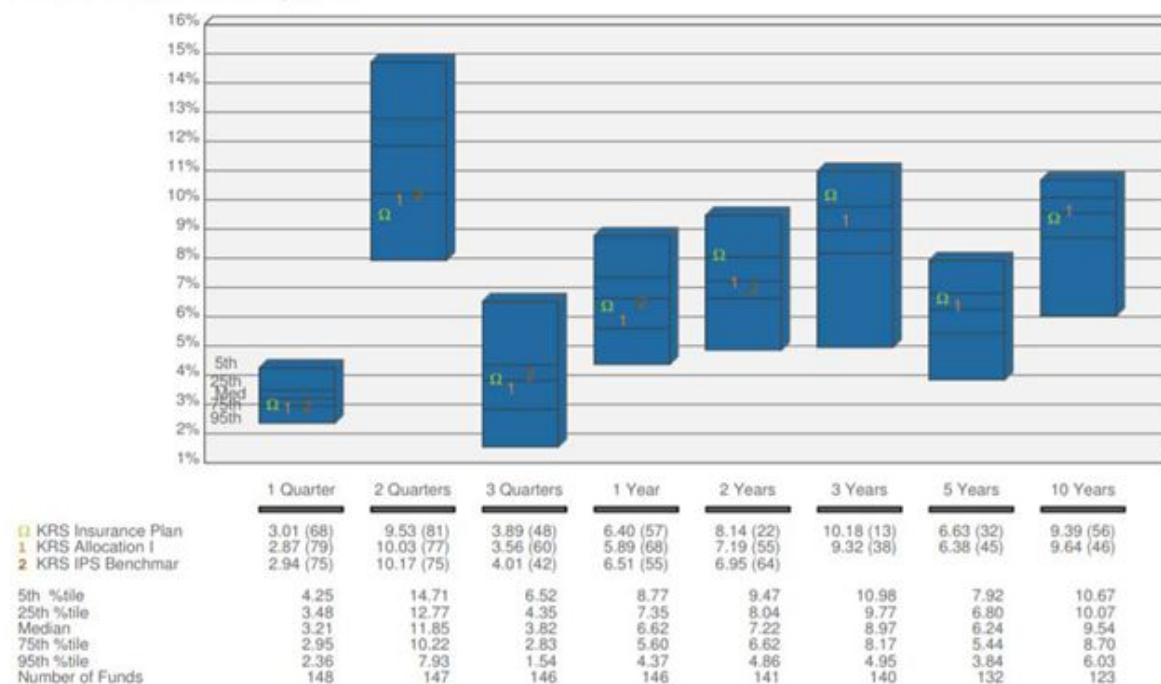
### Wilshire Consulting PERFORMANCE COMPARISON KRS Pension Plan Composite Periods Ended June 30, 2019



\*TUCS Total Ret of Master Trusts - Public Universe - Gross of Fees

8

**Wilshire Consulting**  
**PERFORMANCE COMPARISON**  
 KRS Insurance Plan Composite  
 Periods Ended June 30, 2019



\*TUCS Total Ret of Master Trusts - Public Universe - Gross of Fees

8

## Investment Guideline Waivers

The Investment Committee granted 3 guideline waivers at the February 6<sup>th</sup> meeting and agreed to review each of these waivers at all subsequent meetings. Two of these waivers are still in effect:

1. Staff was granted a waiver of the requirement that each of our external investment managers should be visited annually on-site by KRS staff.
2. Staff was granted a waiver of the requirement to rebalance assets within the Absolute Return, Real Estate, and Fixed Income asset classes as the transition to our new asset allocation policy is ongoing.



## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



To: Kentucky Retirement Systems Board of Trustees

From: John E. Chilton, CPA, Chair  
Audit Committee of the Board of Trustees

Kristen N. Coffey, CICA *KNC*  
Division Director, Internal Audit Administration

Date: September 12, 2019

Subject: August 22, 2019 Audit Committee Meeting

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The Audit Committee held a regularly scheduled meeting on August 22, 2019. The purpose of the meeting was to review and discuss the following items:

**Items to be presented to the Board (required Board action in bold, red font)**

1. APA has completed their Special Examination and the final report was released on August 27, 2019.
2. Fiscal year-end June 30, 2019 financial statements (unaudited), including administrative expenses, were presented.
3. A summary of cash flows for all five pension and insurance plans was presented.
4. There were nine requests for Hazardous Position Classifications. **Audit Committee approved all requested Hazardous Duty positions.**  
**RECOMMENDATION: Ratify the actions taken by the Audit Committee.**
5. Updates to the Audit Committee Charter, Internal Audit Charter, and Internal Audit Policies and Procedures Manual were presented. **Audit Committee approved the updates.**  
**RECOMMENDATION: Ratify the actions taken by the Audit Committee.**

**Informational Items Discussed – No Board Action Required**

1. Outstanding invoices as of June 30, 2019 totaled \$13,596,168. The largest outstanding amounts related to pension spiking and standard sick leave. Kentucky State Police have the largest outstanding balance (\$5,419,131).
2. The fiscal year 2019 audit has begun. A summary of the timeline was presented. Dean Dorton is currently on-site conducting fieldwork.
3. For the 2nd quarter of calendar year 2019, there were two external disclosures affecting five members. There were no internal disclosures.
4. KRS responded to requests for information related to A-133 and Title VI. Neither of these is applicable to KRS since we do not receive or expend federal dollars.
5. The Division of Internal Audit Administration spent \$354,752 for fiscal year-ended June 30, 2019. This was 90% of the Division's budget.
6. Currently, 13 active cases received via the anonymous tip line are being investigated. This includes one new case. No cases have been closed since the last Board meeting.
7. No issues related to non-compliance with investments were presented.
8. At this time, the Division of Internal Audit Administration is working on nine projects. Four internal audits, one investment audit, and three investment reviews have been completed during the fiscal year. The three audits released since the last Audit Committee meeting were reviewed.

Attachment



## KENTUCKY RETIREMENT SYSTEMS

**David L. Eager, Interim Executive Director**

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601

kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



To: Members of the KRS Board of Trustees  
From: D'Juan Surratt  
Director of Employer Reporting, Compliance & Education  
Date: 9/12/2019  
Subject: Hazardous Position Classification

AGENCIES ARE ASKING FOR HAZARDOUS DUTY COVERAGE FOR THE FOLLOWING POSITIONS:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
Campbell County Fiscal Court	Major	March 1, 2019
City of Irvington	Police Chief	October 1, 2019
City of Irvington	Assistant Police Chief	October 1, 2019
City of Irvington	Police Officer	October 1, 2019
City of Irvington	Police Officer (Recruit)	October 1, 2019
Okolona Fire District	Fire Marshal	October 1, 2019
Highview Fire District	EMT	October 1, 2019
Highview Fire District	Paramedic	October 1, 2019
Highview Fire District	Firefighter/Paramedic	October 1, 2019

KRS staff has reviewed the above requests and feel that these positions meet statutory guidelines for Hazardous coverage. Position Questionnaires and Job Descriptions are attached.

**61.592 Retirement of persons working in hazardous positions.**

- (1) (a) "Hazardous position" for employees participating in the Kentucky Employees Retirement System, and for employees who begin participating in the County Employees Retirement System before September 1, 2008, means:
    1. Any position whose principal duties involve active law enforcement, including the positions of probation and parole officer and Commonwealth detective, active fire suppression or prevention, or other positions, including, but not limited to, pilots of the Transportation Cabinet and paramedics and emergency medical technicians, with duties that require frequent exposure to a high degree of danger or peril and also require a high degree of physical conditioning;
    2. Positions in the Department of Corrections in state correctional institutions and the Kentucky Correctional Psychiatric Center with duties that regularly and routinely require face-to-face contact with inmates; and
    3. Positions of employees who elect coverage under KRS 196.167(3)(b)2. and who continue to provide educational services and support to inmates as a Department of Corrections employee.
  - (b) "Hazardous position" for employees who begin participating in the County Employees Retirement System on or after September 1, 2008, means police officers and firefighters as defined in KRS 61.315(1), paramedics, correctional officers with duties that routinely and regularly require face-to-face contact with inmates, and emergency medical technicians if:
    1. The employee's duties require frequent exposure to a high degree of danger or peril and a high degree of physical conditioning; and
    2. The employee's duties are not primarily clerical or administrative.
  - (c) The effective date of participation under hazardous duty coverage for positions in the Department of Alcoholic Beverage Control shall be April 1, 1998. The employer and employee contributions shall be paid by the employer and forwarded to the retirement system for the period not previously reported.
- (2) (a) Each employer may request of the board hazardous duty coverage for those positions as defined in subsection (1) of this section. Upon request, each employer shall certify to the system, in the manner prescribed by the board, the names of all employees working in a hazardous position as defined in subsection (1) of this section for which coverage is requested. The certification of the employer shall bear the approval of the agent or agency responsible for the budget of the department or county indicating that the required employer contributions have been provided for in the budget of the employing department or county. The system shall determine whether the employees whose names have been certified by the employer are working in positions meeting the definition of a hazardous position as provided by subsection (1) of this section. This process shall not be required for employees who elect coverage under KRS 196.167(3)(b)2.

**61.315 Benefits payable on death of certain peace officers, firefighters, and members of a state National Guard or Reserve component-- Administrative regulations -- Funds allotted to a self-insuring account.**

- (1) As used in this section, "police officer" means every paid police officer, sheriff, or deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any auxiliary police officer appointed pursuant to KRS 95.445, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, elected to office, or employed by any county, airport board created pursuant to KRS Chapter 183, city, or by the state; "firefighter" means every paid firefighter or volunteer firefighter who is employed by or volunteers his or her services to the state, airport board created pursuant to KRS Chapter 183, any county, city, fire district, or any other organized fire department recognized, pursuant to KRS 95A.262, as a fire department operated and maintained on a nonprofit basis in the interest of the health and safety of the inhabitants of the Commonwealth and shall include qualified civilian firefighters employed at Kentucky-based military installations.
- (2) The spouse of any police officer, sheriff, deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any auxiliary police officer appointed pursuant to KRS 95.445, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, firefighter, or member of the Kentucky National Guard on state active duty pursuant to KRS 38.030, or a member of a state National Guard or a Reserve component on federal active duty who names Kentucky as home of record for military purposes, whose death occurs on or after July 1, 2002, as a direct result of an act in the line of duty shall receive a lump-sum payment of eighty thousand dollars (\$80,000) if there are no surviving children, which sum shall be paid by the State Treasurer from the general expenditure fund of the State Treasury. If there are surviving children and a surviving spouse, the payment shall be apportioned equally among the surviving children and the spouse. If there is no surviving spouse, the payment shall be made to the surviving children, eighteen (18) or more years of age. For surviving children less than eighteen (18) years of age, the State Treasurer shall:
  - (a) Pay thirty-five thousand dollars (\$35,000) to the surviving children; and
  - (b) Hold forty-five thousand dollars (\$45,000) in trust divided into equal accounts at appropriate interest rates for each surviving child until the child reaches the age of eighteen (18) years.

If a child dies before reaching the age of eighteen (18) years, his or her account shall be paid to his or her estate. If there are no surviving children, the payment shall be made to any parents of the deceased.

- (3) The Commission on Fire Protection Personnel Standards and Education shall be authorized to promulgate administrative regulations establishing criteria and procedures applicable to the administration of this section as it pertains to both paid and volunteer firefighters, including but not limited to defining when a firefighter has died in line of duty. Administrative hearings promulgated by administrative



regulation under authority of this subsection shall be conducted in accordance with KRS Chapter 13B.

- (4) The Justice and Public Safety Cabinet may promulgate administrative regulations establishing criteria and procedures applicable to the administration of this section as it pertains to police officers, including but not limited to defining when a police officer has died in line of duty. Administrative hearings promulgated by administrative regulation under authority of this subsection shall be conducted in accordance with KRS Chapter 13B.
- (5) The Department of Corrections shall promulgate administrative regulations establishing the criteria and procedures applicable to the administration of this section as it pertains to correctional employees, including but not limited to defining which employees qualify for coverage and which circumstances constitute death in the line of duty.
- (6) The benefits payable under this section shall be in addition to any benefits now or hereafter prescribed under any police, sheriff, firefighter's, volunteer firefighter's, or National Guard or Reserve retirement or benefit fund established by the federal government or by any state, county, or any municipality.
- (7) Any funds appropriated for the purpose of paying the death benefits described in subsection (2) of this section shall be allotted to a self-insuring account. These funds shall not be used for the purpose of purchasing insurance.

**Effective:** June 26, 2007

**History:** Amended 2007 Ky. Acts ch. 85, sec. 128, effective June 26, 2007. -- Amended 2006 Ky. Acts ch. 252, Pt. XXVIII, sec. 12, effective April 25, 2006. -- Amended 2002 Ky. Acts ch. 289, sec. 1, effective July 15, 2002. -- Amended 1996 Ky. Acts ch. 117, sec. 1, effective July 15, 1996; and ch. 318, sec. 28, effective July 15, 1996. -- Amended 1992 Ky. Acts ch. 48, sec. 3, effective July 14, 1992; ch. 294, sec. 1, effective April 9, 1992; ch. 307, sec. 10, effective April 9, 1992; and ch. 381, sec. 8, effective July 14, 1992. -- Amended 1988 Ky. Acts ch. 225, sec. 26, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 135, sec. 1, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 247, sec. 1, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 250, sec. 1, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 344, sec. 1, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 164, sec. 4, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 35, sec. 1. -- Created 1972 Ky. Acts ch. 8, sec. 1.

**Legislative Research Commission Note (4/25/2006).** 2006 Ky. Acts ch. 252, Pt. XXVIII, sec. 17, provides that the amendments made to subsections (2) and (6) of this section "shall apply retroactively to July 1, 2002."

**Legislative Research Commission Note (1988).** Although this section was included in 1988 Acts ch. 225, sec. 26, the amended language was deleted by committee amendment.

**Kentucky Retirement Systems**

Perimeter Park West • 1260 Louisville Rd. • Frankfort KY 40601-6124  
 Phone: (502) 696-8800 • Fax: (502) 696-8822 • www.kyret.com



**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**

Employer: Campbell County Fiscal Court

Position Title: Major

Is this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ No

If no, is this position required to carry a firearm? ☒ Yes ☐ No

Does this position require active fire suppression or prevention? ☐ Yes ☒ No

**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**

Employer: CAMPBELL COUNTY FISCAL COURT

Position Title: Major

Please select the appropriate classification and answer all that are applicable.

☒ Police Officer

☐ Firefighter Does this position require active fire suppression? ☐ Yes ☐ No

☐ Paramedic

☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No

☐ Other Specify: \_\_\_\_\_

Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☐ No

If no, is this position required to carry a firearm? ☐ Yes ☐ No

☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)

Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ No

Does this position require a high degree of physical conditioning? ☐ Yes ☐ No

Are the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: Steve Buckley

Date: 8/5/19

Agency Head Title: County Judge Executive

Employer: **CAMPBELL COUNTY FISCAL COURT**Position Title: **Major****Section 3: For All Positions**

1. List the exact position title as it appears on your job description.
2. List the position's duties (i.e. training, field duties, etc.), the percentage of time spent performing each duty (percentages must equal 100% including the clerical/administrative duties on the first page (for EMT positions), and a description of each duty in the box provided.
3. BE AS DETAILED AS POSSIBLE. The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 61.592.

Position Duty: Command & ControlPercentage of Time Spent: 60%

## Description of Duties:

Command & Control: The Major must possess KLEC Police certification and have significant prior supervisor experience as either a Sergeant or Lieutenant, as well as having attended advanced police supervision courses. The Major's daily responsibilities include command & control of agency assets and personnel both on active scene and other operational situations, to include: major incidents, criminal investigations, crime scenes etc. The Major is responsible for the oversight and direction of all agency police personnel, special teams, and agency equipment in any circumstances for which agency personnel may be involved. In the absence of the Chief of Police, the Major will act as the agency head.

Position Duty: ManagementPercentage of Time Spent: 40%

## Description of Duties:

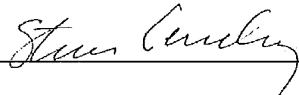
Management: In addition to the active command and control responsibilities above, the Major will have significant responsibilities relating to assignment, selection, hiring, discipline, policy and procedures, community engagement, board participation, case & investigation scope - direction - charges, civilian personnel management, budget, finance, etc.

Position Duty: \_\_\_\_\_

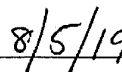
Percentage of Time Spent: \_\_\_\_\_

## Description of Duties:


Agency Head Signature: \_\_\_\_\_



Date: \_\_\_\_\_


Agency Head Title: County Judge Executive

**CAMPBELL COUNTY POLICE DEPARTMENT  
POSITION DESCRIPTION**

	<b>Position Title:</b>	Major
	<b>Department:</b>	Police
	<b>Reports To:</b>	All persons of greater seniority
	<b>FLSA Status:</b>	Exempt, Salary
	<b>Employment Status:</b>	Full Time – 80 hours Biweekly
	<b>Pay Grade:</b>	FOP Working Agreement

**SUMMARY:**

The Major reports to the Assistant Chief of Police, or in his/her absence the Chief of Police. The Major is a command level officer that supports and provides guidance to the Assistant Chief and Chief in all matters. In the absence of the Assistant Chief and the Chief, the Major shall have authority in all matters of policy, operations, and discipline. Represents the County on various boards, commissions and committees, and serves as a liaison with other county elected officials, organizations and community leaders, citizens, and other government entities that interact with the Fiscal Court.

**ESSENTIAL FUNCTIONS AND RESPONSIBILITIES:** includes, but are not limited to:

**Command & Control/Administrative Functions:**

- Daily operational command & control of agency assets and personnel.
- Must be able to perform all functions of lesser ranks within the agency.
- Assist in developing the objectives, plans, programs and procedures of the Police Department;
- Review and make recommendations for the strengthening of policies and programs;
- Assist in carrying out the operations of the Department;
- Must be able to supervise major investigations and report results of same;
- Assists with administrative details of the Department such as budget, shift schedules, purchase requisitions, invoice filing, and correspondence;
- Counsels subordinates and assists in promoting effective public relations.
- Disseminates information; issues regular and special assignments; prepares work schedules; manages the use of overtime by subordinates.
- Visits Police Officers at frequent intervals during tour of duty, counseling, advising, directing and coordinating their work when necessary.
- Trains and supervises assigned personnel in the various areas as requested or required.
- Analyzes criminal activity within a geographic area and assigns personnel where needed to abate crime patterns.
- May serve as a training officer giving instructions to subordinates in first aid, riot and crowd control, firearms and other areas.
- Promotes the goals and objectives of the department.

**Other essential functions and responsibilities:**

- Enforces rules and regulations for the control, disposition, and advises as to discipline of the department and of its officers and employees;
- Oversees the internal organization of the department and the duties of his/her subordinates in order to maximize the efficiency and operation of the Department;
- Administers the work of the Department through the divisions and bureaus established by the rules and regulations and such other units or administration.
- Oversees and has responsibility for preparing the annual Department budget;

- Researches grant programs and opportunities for future funding and directs staff accordingly; and
- Performs other duties as assigned.
- Reviews citizens' complaints against officers, and makes recommendations to the Police Chief.
- Reviews officer related accident and injury reports, and makes recommendations to the Police Chief.
- Reviews response to resistance reports, and makes recommendations to the Police Chief.
- Coordinates multi-jurisdictional law enforcement and public safety efforts.
- May testify as a witness in court in connection with arrests and citations made.
- Develops schedules and coordinates training courses for assigned personnel and civilian employees.
- Coordinates activities with appropriate social service agencies when required.
- Inspects facilities for maintenance needs.
- Counsels, advises, directs and coordinates subordinates.
- Prepares various records and reports as required or requested.
- Prepares statistical reports on criminal and accident incidents in the County Area.
- Responsible for knowing and complying with all CCPD and Campbell County Fiscal Court safety rules.
- Speaks to individuals or groups regarding crime prevention, personal safety and traffic safety.

**QUALIFICATIONS (KNOWLEDGE, SKILLS, AND ABILITIES):**

- Thorough knowledge and application of federal, state and local laws and ordinances;
- Thorough knowledge of the principles of modern police administration, organization and operations related to field patrol activity, traffic control and safety, security and criminal investigation;
- Thorough knowledge of the use of police records and their application to the resolution of police problems;
- Ability to establish and maintain effective working relationships with employees, officials, and the general public;
- Administrative, supervisor(y) and analytical abilities;
- Ability to communicate effectively orally, and in writing; and
- (Possess the following personal characteristics) Initiative and resourcefulness, tact, firmness, integrity, impartiality, patience and sound judgment.

**Ability to:**

- plan, organize, supervise and inspect the work of subordinates in a manner conducive to full performance and high morale;
- observe situations analytically and objectively and to record and report them clearly and completely;
- to make decisions recognizing established precedents and practices;
- use resourcefulness and tact in meeting new problems;
- act quickly and calmly in emergencies;
- establish and maintain effective working relationships with other employees, personnel from other agencies and the general public;
- express ideas clearly and concisely both orally and in writing;

**PHYSICAL DEMANDS AND WORKING CONDITIONS:**

- Physical demands include standing, lifting, carrying, walking, running, sitting, pushing, and pulling.
- Must have the strength and agility to allow the employee to perform job duties, which would be found at the level of medium work (i.e. exerting 20-50 pounds of force) as defined in the PAQ.
- Working conditions include performing duties in all types of weather conditions, regular exposure to continuous noises, contagious diseases, humid surroundings, extreme hot or cold temperatures, fumes, and odors.

**SPECIAL REQUIREMENTS:**

- Possession of a valid driver's license as a condition of continued employment.
- Subject to shift work, twenty-four (24) hour call-back, holiday and weekend duty.
- Subject to a polygraph and an extensive background check at any time during employment.
- Subject to random drug testing at any time during employment.
- Must be able to competently operate County Government equipment and vehicles. Pursuant to the Drug Free Workplace Act of 1988 and to sections 21-52, 22-34, County and CCPD policy, all employees must remain drug and alcohol free when reporting to work, while at work, and while engaged in any work related activities.

**PROMOTION TO MAJOR**

The Method of Promotion for selection to the rank of Major is set forth in the Police Merit Board Rules and Regulations.

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**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.  
 To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.  
 To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**Employer: **CITY OF IRVINGTON**Position Title: Police ChiefIs this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ NoIf no, is this position required to carry a firearm? ☐ Yes ☐ NoDoes this position require active fire suppression or prevention? ☐ Yes ☒ No**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**Employer: **CITY OF IRVINGTON**Position Title: Police Chief

Please select the appropriate classification and answer all that are applicable.

☒ Police Officer☐ Firefighter Does this position require active fire suppression? ☐ Yes ☐ No☐ Paramedic☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No☐ Other Specify: \_\_\_\_\_Is this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ NoIf no, is this position required to carry a firearm? ☐ Yes ☐ No☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ NoDoes this position require a high degree of physical conditioning? ☐ Yes ☐ NoAre the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: \_\_\_\_\_

Date: 7-30-19Agency Head Title: Mayor

Page 1

Employer: CITY OF IRVINGTON

Position Title: Police Chief

**Section 3: For All Positions**

1. List the exact position title as it appears on your job description.

2. List the position's duties (or training field duties) and the percentage of time spent performing each duty. Percentages must equal 100% including the clerical/administrative duties on the first page (for all positions), and a description of each duty in the box provided.

3. BE AS DEFINED AS POSSIBLE, The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 16.1892.

Position Duty: Field workPercentage of Time Spent: 75%

## Description of Duties:

Patrols the city to enforce laws and to prevent and/or discover crime; responds to calls received during shift; investigates suspicious conditions and complaints; intervenes in interpersonal crisis, conflicts and domestic violence situations; initiates investigations into all suspicious or hazardous circumstances while patrolling; conducts covert activities or surveillance assignments; performs and assists in specialized task such as investigation of arson, sex crimes, forgery, sexual/child abuse or narcotics; arrests, books and/or process criminal law violators; transport prisoners; provide traffic control; maintains order in crowd, parades or other public gatherings; investigates accidents and crime scenes; renders emergency assistance to the public; carries a firearm; serves summons, warrants and subpoenas.

Position Duty: ClericalPercentage of Time Spent: 10%

## Description of Duties:

prepares statements of suspects, witnesses and victims; issues citations; cooperates in the prosecution of criminal offenders by court testimony; prepares written reports on shift activities; provides appropriate information to citizens regarding crime prevention; establishes rapport with citizens of the community; participates in training programs to maintain certification.

Position Duty: Office WorkPercentage of Time Spent: 15%

## Description of Duties:

Plans, organizes, directs, coordinates and evaluates all activities and programs of the department; insures the enforcement of federal, state/local laws and ordinances; prescribes, formulates, and enforces policies, procedures and rules; plans, implements, and reviews departmental goals and objectives; assist with the preparation of the annual budget; prepares work schedules; approves request for time off; administers discipline; evaluates the performance of the department; conducts departmental meetings; keeps Mayor informed of key issues; reviews daily reports; attend council meeting.

Agency Head Signature: *Gyrene Kennedy*Date: 7-30-19Agency Head Title: Mayor



CITY OF IRVINGTON  
POSITION DESCRIPTION

Class Title: Police Chief

Department: Police

Supervisor: Mayor

Supervises: All Departmental Employees

Class Characteristics: As a sworn law enforcement officer, manages and directs all functions and operations of the Police Department, including the enforcement of laws and ordinances, the prevention of crime, and the protection of life and property; performs police officer duties; performs related work as required.

Distinguishing Features of the Class: The work in this class involves responsibility for exercising administrative leadership and supervising all police functions of the city, including planning, organizing, directing, coordinating and evaluating all activities and programs of the department, including patrol, traffic, criminal investigation, and related activities and services while assisting with required duties. Work includes assuring the proper training, assignment and discipline of all departmental members. The Police Chief works under the administrative direction of the Mayor.

General Duties and Responsibilities (Illustrative Only):

Essential:

1. Plans, organizes, directs, coordinates and evaluates all activities and programs of the department.
2. Insures the enforcement of federal, state and local laws and ordinances to protect individual rights, protect life and property, prevent and suppress crime, and identify and apprehend criminal offenders.
3. Prescribes, formulates, and enforces policies, procedures, and rules and regulations for the government of the department, none of which shall be inconsistent with the ordinances or orders of the city, laws of the state, or any other written policy of the department.
4. Plans, implements and reviews departmental goals and objectives and procedures to accomplish goals and objectives.
5. Causes the public peace to be preserved and enforces all laws and ordinances of the city; upon learning of a violation, causes a complaint and investigation to be made for the prosecution of the offender.
6. Assists with the preparation of the annual budget, administers annual budget; approves all purchases for the department.
7. Prepares and authorizes work schedules; approves requests for time-off.
8. Counsels employees on departmental rules and regulations.
9. Administers discipline as necessary, subject to approval and in compliance with state laws and departmental procedures.
10. Evaluates the performance of departmental employees.

Police Chief, Page 2

11. Conducts departmental meetings.
12. Keeps Mayor informed of key issues and critical events.
13. Investigates and resolves complaints against employees and/or services provided by the department.
14. Represents the city and department with other offices or agencies, elected officials, news media, and citizen groups.
15. Works with school administrators to identify problems and find solutions to the problems.
16. Works with court officials, Judges, prosecutors, and clerks.
17. Coordinates police activities with other governments, departments and/or agencies.
18. Reviews daily reports and citations.
19. Insures that required reports are accurately prepared and forwarded in a timely manner.
20. Performs patrol, traffic and/or criminal investigation duties.
21. Responds to all calls received during shift; responds to all major calls within the city limits; may assume responsibility for the scene upon arrival.
22. Secures the scene of crimes, conducts preliminary investigations, gathers evidence, and/or interviews witnesses.
23. Makes arrests; issues court citations.
24. Attends required training programs; insures departmental employees attend mandatory training.
25. Attends regular and special Council meetings and reports on departmental matters as required or requested.
26. Authorizes the purchase of departmental equipment and supplies within established limits.
27. The Police Chief must carry a firearm and have the power to make arrests.

Non-essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by three years professional law enforcement experience. Administrative and/or supervisory experience preferred, but not required. Bachelor of Science degree in Criminal Justice or Police Administration preferred, but not required. [See KRS Chapter 95 for additional requirements.]

Special Knowledge, Skills and Abilities:

Knowledge:

1. Thorough knowledge of current diverse issues in police management, laws and ordinances pertaining to statutory and procedural law, civil liability, and the principles of police administration.
2. Thorough knowledge of the principles, practices and techniques of modern police administration, organization and operation, including knowledge of patrol activity,

Police Chief, Page 3

traffic control and safety, crime detection, criminal investigation, radio communications, etc.

3. Thorough knowledge of current developments in the field of police management.

4. Thorough knowledge of federal and state laws and administrative regulations, local ordinances, and departmental rules and regulations.

5. Thorough knowledge of the geography of the city.

6. Thorough knowledge of the social characteristics of the city.

7. Thorough knowledge of the use of police records and the applications to the solution of police problems.

Skills:

1. Skill in the use of firearms.
2. Organizational and communication skills.
3. Administrative and supervisory skills.
4. Public relations skills.

Abilities:

1. Ability to plan, organize, direct, coordinate and evaluate local police activities consistent with the requirements of laws and city policy.
2. Ability to make decisions in accordance with applicable laws and policies, and to accept and share responsibility for all matters affecting the department.
3. Administrative, supervisory and analytical abilities.
4. Ability to supervise and direct the activities of subordinates.
5. Ability to prepare and maintain and/or insure the preparation and maintenance of required reports.
6. Ability to express ideas clearly and concisely, orally and in writing.
7. Ability to speak effectively before public groups.
8. Ability to analyze situations and to adopt a quick, effective and reasonable course of action with regard to surrounding hazards and circumstances.
9. Ability to obtain information through interview, interrogation and observations.
10. Ability to establish and maintain effective working relationships with city officers and employees, other police departments/agencies, and the general public.
11. Physical strength and agility; excellent physical condition.
12. Ability to carry, be proficient in the use of, and to maintain/care for standard issue weapons and other firearms.

ADDITIONAL INFORMATION

Instructions: Very general; must use own judgment most of the time.

Processes: Must occasionally consider different courses of action, or deviate from standard operating procedures, to get the job done.

Review of Work: Job performance is reviewed by the Mayor through written and verbal reports.

Police Chief, Page 4

Analytical Requirements: Assignments involve decisions based on wide knowledge of many factors where application of advanced or technical concepts is required.

Tools, Equipment and Vehicles Used: Police cruiser, firearms, baton, hand cuffs; pepper spray, radio, camera, breathalyzer, PBT, fire extinguisher, normal office equipment (telephone, computer, etc.)

Physical Demands:

(1) Work is generally performed both in an office and outdoors regardless of weather conditions; Intermittent sitting, standing, walking, climbing, bending, carrying, stretching and/or stooping required; must be able to lift objects weighing in excess of twenty-five pounds; must be able to physically restrain individuals when required; must operate emergency vehicle in emergency situations during all weather conditions; exposed to noise, fumes, all weather conditions.

(2) Employees in this class must be able to talk and hear; must be able to use hands to finger, handle, or operate objects, controls or tools listed above; must be able to reach with hands and arms, climb or balance; must have taste and smell abilities. Vision requirements include distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

Contacts: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job.

Confidential Information: Regular use of confidential information.

Mental Effort: Heavy.

Interruptions: Frequent/constant.

Availability: Must be able to respond to calls in emergency situations at all hours.

Certification Requirements: Must have successfully completed required basic training, or must successfully complete training within one year after appointment to the class; must attend and successfully complete required annual training.

Licensing Requirements: Must possess and maintain a valid driver's license issued by the Commonwealth of Kentucky.

Additional Requirements: Must meet the job-related physical and psychological requirements in effect at the time of appointment, and must pass any job-related mental, psychological and/or physical qualifying examinations that may be prescribed.

Overtime Provision: Non-exempt.

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**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 2.

To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**

Employer: **CITY OF IRVINGTON**

Position Title: Assistant Police Chief

Is this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ No

If no, is this position required to carry a firearm? ☐ Yes ☐ No

Does this position require active fire suppression or prevention? ☐ Yes ☒ No

**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**

Employer: **CITY OF IRVINGTON**

Position Title: Assistant Police Chief

Please select the appropriate classification and answer all that are applicable.

☒ Police Officer

☐ Firefighter Does this position require active fire suppression? ☐ Yes ☐ No

☐ Paramedic

☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No

☐ Other Specify: \_\_\_\_\_

Is this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ No

If no, is this position required to carry a firearm? ☐ Yes ☐ No

☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)

Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ No

Does this position require a high degree of physical conditioning? ☐ Yes ☐ No

Are the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: \_\_\_\_\_

Date: 7-30-19

Agency Head Title: Mayor

Employer: CITY OF IRVINGTON

Position Title: Assistant Police Chief

**Section 3: For All Positions**

1. List the exact position title as it appears on your job description.

2. List the position's duties (i.e., training, field duties, etc.) and the percentage of time spent performing each duty. Percentages must equal 100% including the clerical/administrative duties on the first page for civil positions, and a description of each duty in the box provided.

3. BE AS DETAIL AS POSSIBLE. The Board of Trustees will use this information in determining if the position meets the definition of hazardous duty (HKRS 9-1592).

Position Duty: Field workPercentage of Time Spent: 80%

## Description of Duties:

Patrols the city to enforce laws and to prevent and/or discover crime; responds to calls received during shift; investigates suspicious conditions and complaints; intervenes in interpersonal crisis, conflicts and domestic violence situations; initiates investigations into all suspicious or hazardous circumstances while patrolling; conducts covert activities or surveillance assignments; performs and assists in specialized task such as investigation of arson, sex crimes, forgery, sexual/child abuse or narcotics; arrests, books and/or process criminal law violators; transport prisoners; provide traffic control; maintains order in crowd, parades or other public gatherings; investigates accidents and crime scenes; renders emergency assistance to the public; carries a firearm; serves summons, warrants and subpoenas.

Position Duty: ClericalPercentage of Time Spent: 10%

## Description of Duties:

prepares statements of suspects, witnesses and victims; issues citations; cooperates in the prosecution of criminal offenders by court testimony; prepares written reports on shift activities; provides appropriate information to citizens regarding crime prevention; establishes rapport with citizens of the community; participates in training programs to maintain certification.

Position Duty: Office WorkPercentage of Time Spent: 10%

## Description of Duties:

Assist the Police Chief with planning, organizing, directing, coordinating and evaluating all activities; assumes the responsibility for the department in the absence of the Chief; assist with evaluating the efficiency of the department; assist with formulating and enforcing departmental policies; works with court officials, Judges, prosecutors and clerks; may report to council in absence of Chief;

Agency Head Signature: *Thomas Kennedy*Date: 7-30-19Agency Head Title: *Mayor*

CITY OF IRVINGTON  
POSITION DESCRIPTION

Class Title: Assistant Police Chief

Department: Police

Supervisor: Police Chief

Supervises: Assumes Responsibility for All Employees in the Absence of the Police Chief

Class Characteristics: As a sworn law enforcement officer, assists the Police Chief in the administration of the department; exercises command over Police Department in the absence of the Police Chief; performs all duties of a Police Officer during assigned shift; performs related work as required.

Distinguishing Features of the Class: The Assistant Police Chief assists with departmental administrative duties as assigned. Performs all duties of a Police Officer during assigned shifts. The Assistant Police Chief is accountable to the Police Chief, and work performed is subject to the plans, priorities, policies and procedures formulated by the Police Chief.

General Duties and Responsibilities (Illustrative Only):

Essential:

1. Assists the Police Chief with planning, organizing, directing, coordinating and evaluating all activities and programs of the department in the enforcement of federal, state and local laws and ordinances to protect individual rights, protect life and property, prevent and suppress crime, and identify and apprehend criminal offenders.
2. Assumes responsibility for the department in the absence of the Police Chief.
3. Assists with evaluating the efficiency, productivity and appropriateness of the Police Department, and developing and implementing improvements consistent with modern police practices.
4. Assists the Police Chief with formulating and enforcing Departmental policies, procedures, and rules and regulations for the government of the department, none of which shall be inconsistent with the ordinances of the city, laws of the state, or any other written policy of the department.
5. Assists the Police Chief with insuring the proper and efficient enforcement of all laws and ordinances which the department is authorized to enforce.
6. May represent the department with other offices or agencies, elected officials, news media, and citizen groups.
7. Monitors federal and state agencies for the availability of grant funds; prepares grant applications; assists with administering funded programs/projects.
8. Assists with purchasing equipment and supplies for the department.
9. Works with court officials, Judges, prosecutors, and clerks.
10. Prepares and/or assists with preparing required reports; may report to Council in the absence of the Police Chief.
11. Performs the duties of a police officer, including patrol, traffic, criminal investigations, etc.

Assistant Police Chief, Page 2

12. Administers breathalyzer tests.
13. Attends required training programs.
14. May attend Council meetings and report on departmental matters in the absence of the Police Chief.
15. The Assistant Police Chief must carry firearms and have the power to make arrests.

Non-essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by three years professional law enforcement experience. Bachelor of Science degree in Criminal Justice or Police Administration preferred, but not required. [See KRS Chapter 95 for additional requirements.]

Special Knowledge, Skills and Abilities:

Knowledge:

1. Thorough knowledge of current diverse issues in police management, laws and ordinances pertaining to statutory and procedural law, civil liability, and the principles of police administration.
2. Thorough knowledge of the principles, practices and techniques of modern police administration and law enforcement, including knowledge of crime detection, criminal investigation, and radio communications.
3. Thorough knowledge of current developments in the field of police management.
4. Thorough knowledge of departmental policies and procedures, rules, regulations, patrol procedures and techniques, etc.
5. Thorough knowledge of the geography of the city.
6. Thorough knowledge of the social characteristics of the city.

Skills:

1. Skill in the use of firearms.
2. Organizational skills.
3. Skill in responding courteously and informatively to citizen requests for services, information, and/or problems or concern.

Abilities:

1. Ability to plan, organize, direct, coordinate and evaluate the activities of the Police Department in the absence of the Police Chief.
2. Ability to supervise or direct the work of others, often during emergency situations, while assisting with required duties.



Assistant Police Chief, Page 3

3. Ability to make decisions in accordance with applicable laws and policies, and to accept and share responsibility for all matters affecting the department.
4. Ability to prepare and maintain and/or insure the preparation and maintenance of required reports.
5. Ability to express ideas clearly and concisely, orally and in writing.
6. Ability to analyze situations and to adopt a quick, effective and reasonable course of action with regard to surrounding hazards and circumstances.
7. Ability to obtain information through interview, interrogation and observations.
8. Ability to establish and maintain effective working relationships with city officers and employees, other police departments/agencies, and the general public.
9. Physical strength and agility; excellent physical condition.
10. Ability to carry, be proficient in the use of, and to maintain/care for standard issue weapons and other firearms.

ADDITIONAL INFORMATION

Instructions: Very general; must use own judgment most of the time.

Processes: Must occasionally consider different courses of action, or deviate from standard operating procedures, to get the job done.

Review of Work: Work is generally reviewed through oral presentation and daily reports.

Analytical Requirements: Assignments frequently involve decisions based on a wide knowledge of many factors where application of advanced or technical concepts is required.

Tools, Equipment and Vehicles Used: Police cruiser, firearm, baton, hand cuffs; pepper spray, radio, camera, breathalyzer, PBT, normal office equipment (telephone, computer, etc.)

Physical Demands:

(1) Work is generally performed both in an office and outdoors regardless of weather conditions; intermittent sitting, standing, walking, climbing, bending, carrying, stretching and/or stooping required; must be able to lift objects weighing in excess of twenty-five pounds; must be able to physically restrain individuals when required; must operate emergency vehicle in emergency situations during all weather conditions; exposed to noise, fumes, all weather conditions.

(2) Employees in this class must be able to talk and hear; must be able to use hands to finger, handle, or operate objects, controls or tools listed above; must be able to reach with hands and arms, climb or balance; must have taste and smell abilities. Vision requirements include distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

Assistant Police Chief, Page 4

Contacts: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job.

Confidential Information: Regular use of confidential information.

Mental Effort: Moderate.

Interruptions: Frequent/constant.

Availability: Must be able to respond to calls in emergency situations at all hours. Must be able to work irregular hours on assigned shifts.

Certification Requirements: Must have successfully completed required basic training; must successfully complete required annual training.

Licensing Requirements: Must possess and maintain a valid driver's license issued by the Commonwealth of Kentucky.

Additional Requirements: Must meet the job-related physical and psychological requirements in effect at the time of appointment, and must pass any job-related mental, psychological and/or physical qualifying examinations that may be prescribed.

Overtime Provision: Non-exempt.

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**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

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 To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.  
 To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**Employer: **CITY OF IRVINGTON**Position Title: Police OfficerIs this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ NoIf no, is this position required to carry a firearm? ☐ Yes ☐ NoDoes this position require active fire suppression or prevention? ☐ Yes ☒ No**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**Employer: **CITY OF IRVINGTON**Position Title: Police Officer

Please select the appropriate classification and answer all that are applicable.

☒ Police Officer☐ Firefighter Does this position require active fire suppression? ☐ Yes ☐ No☐ Paramedic☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No☐ Other Specify: \_\_\_\_\_Is this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ NoIf no, is this position required to carry a firearm? ☐ Yes ☐ No☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ NoDoes this position require a high degree of physical conditioning? ☐ Yes ☐ NoAre the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: Sharon SpiveyDate: 7-30-19Agency Head Title: Mayor

Page 1

Employer: **CITY OF IRVINGTON**Position Title: **Police Officer****Section 3: For All Positions**

1. List the exact job title as it appears on your job description.
2. List the position's duties (e.g., training, field duties, etc.). The percentage of time spent performing each duty (percentages must equal 100%) and the clerical/administrative duties on the first page (for EFT positions), and a description of each duty in the box provided.
3. IF AS FEASIBLE, AS POSSIBLE, THE BOARD OF TRUSTEES WILL USE THIS INFORMATION TO DETERMINE THE POSITION'S NEEDS IN CONNECTION WITH HAZARDOUS DUTY PER KRS 401.592.

Position Duty: Field workPercentage of Time Spent: 85%

## Description of Duties:

Patrols the city to enforce laws and to prevent and/or discover crime; responds to calls received during shift; investigates suspicious conditions and complaints; intervenes in interpersonal crisis, conflicts and domestic violence situations; initiates investigations into all suspicious or hazardous circumstances while patrolling; conducts covert activities or surveillance assignments; performs and assists in specialized task such as investigation of arson, sex crimes, forgery, sexual/child abuse or narcotics; arrests, books and/or process criminal law violators; transport prisoners; provide traffic control; maintains order in crowd, parades or other public gatherings; investigates accidents and crime scenes; renders emergency assistance to the public; carries a firearm; serves summons, warrants and subpoenas.

Position Duty: Clerical/office workPercentage of Time Spent: 15%

## Description of Duties:

prepares statements of suspects, witnesses and victims; issues citations; cooperates in the prosecution of criminal offenders by court testimony; prepares written reports on shift activities; provides appropriate information to citizens regarding crime prevention; establishes rapport with citizens of the community; participates in training programs to maintain certification.

Position Duty: \_\_\_\_\_

Percentage of Time Spent: \_\_\_\_\_

## Description of Duties:

Agency Head Signature: \_\_\_\_\_

Date: 7-30-19Agency Head Title: Mayor

CITY OF IRVINGTON  
POSITION DESCRIPTION

Class Title: Police Officer

Department: Police

Supervisor: Police Chief or Assistant Police Chief

Supervises: None

Class Characteristics: As a sworn law enforcement officer, performs general police work in the protection of life and property, enforcement of laws and ordinances, investigation of crimes, etc.; performs related work as required.

Distinguishing Features of the Class: The work of this class involves responsibility for the protection of life and property, prevention of crime, investigation of crime, apprehension of criminals, and the general enforcement of laws and ordinances on an assigned shift or on special assignment. Duties normally consist of patrol, preliminary investigation, and traffic regulation. The work involves an element of personal danger and the employee must be able to take initiative, be assertive, act without direct supervision, and exercise independent judgment in meeting emergencies. Assignments may include work that requires specialized knowledge, skills and abilities.

General Duties and Responsibilities (Illustrative Only):

Essential:

1. Patrols the city on foot or in radio-equipped vehicle to enforce federal, state and local laws, administrative regulations and ordinances, and to prevent and/or discover the commission of crime.
2. Responds to calls received during shift; investigates suspicious conditions and complaints.
3. Intervenes in interpersonal crisis, conflict and domestic violence situations to protect life, property and personal rights.
4. Initiates investigations into all suspicious or hazardous circumstances observed while patrolling assigned area.
5. Investigates and reports factual information regarding all incidents of crime personally discovered or reported by a citizen; conducts covert activities or surveillance assignments as assigned.
6. Performs and assists in specialized tasks such as investigation of arson, sex crimes, forgery, sexual/child abuse, vice or narcotics, fingerprint identification, and intelligence collection.
7. Prepares statements of suspects, witnesses and victims.
8. Arrests, books and/or processes criminal-law violators.
9. Issues citations.
10. Cooperates in the prosecution of criminal offenders by court testimony, grand jury testimony, and at coroner's inquests.
11. Serves summons, warrants and subpoenas.

Police Officer, Page 2

12. Transports prisoners.
13. Provides traffic control services in connection with school crossing, inoperative electronic traffic control devices, accidents, parades, and special events.
14. Maintains public order in crowds, parades, funerals or other public gatherings.
15. May render first-aid; may assist ambulance and fire/rescue services in emergency situations.
16. Checks public buildings, businesses and residential areas to enhance security against trespass, damage, and unsafe conditions.
17. Administers breathalyzer tests.
18. Investigates accidents and crime scenes; prepares reports.
19. Renders emergency assistance to citizens and the public as needed.
20. Provides appropriate information to citizens regarding crime prevention.
21. Prepares written reports on shift activities.
22. Establishes rapport with citizens of the community.
23. Participates in training programs to maintain certification.
24. Police officers must carry a firearm and have the power to make arrests.

Non-essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent; no previous work experience requirements. [See KRS Chapter 95 for additional requirements.]

Special Knowledge, Skills and Abilities:

Knowledge:

1. Knowledge of current developments in law enforcement and public safety, and federal, state and local laws, administrative regulations and ordinances and their application in work assignments.
2. Knowledge of modern police principles, practices and methods.
2. Knowledge of the street layout and population pattern of the city.
3. Knowledge of first-aid.
5. Knowledge of preventive maintenance requirements for vehicle and equipment.

Skills:

1. Skill in the use of firearms.
2. Excellent communication skills.

Abilities:

1. Ability to remember names, faces and details of incidents.
2. Ability to analyze situations and to adopt a quick, effective and reasonable course of action with regard to surrounding hazards and circumstances.

Police Officer, Page 3

3. Ability to exercise good judgment, to make decisions in accordance with applicable laws and policies, to accept and share responsibility, and to be responsive in the performance of all police work, and to use resourcefulness and tact in meeting new problems.
4. Ability to understand and follow oral and written communications.
5. Ability to prepare clear and comprehensive reports.
6. Ability to use and care for firearms and other weapons; learn the safe and proper use of firearms.
7. Ability to drive and operate automobile safely and efficiently during all weather conditions.
8. Ability to establish and maintain effective working relationships with city officers and employees, other police departments/agencies, and the general public.
9. Ability to make fair and impartial decisions in accordance with applicable federal and state laws and administrative regulations, and local ordinances.
10. Physical strength and agility; excellent physical condition.

ADDITIONAL INFORMATION

Instructions: Instructions are somewhat general; many aspects of work are covered specifically, but must use some of own judgment.

Processes: Must refine existing work methods and develop new techniques, concepts or programs within established limits.

Review of Work: Most completed work reviewed by supervisor through either written reports or oral presentation.

Analytical Requirements: Decisions are based on wide knowledge of many factors where the application of advanced or technical concepts is required.

Tools, Equipment and Vehicles Used: Police cruiser, firearms, baton, hand cuffs; pepper spray, radio, camera, breathalyzer, PBT, fire extinguisher, normal office equipment (telephone, computer, etc.)

Physical Demands:

(1) Work is generally performed both in an office and outdoors regardless of weather conditions; intermittent sitting, standing, walking, climbing, bending, carrying, stretching and/or stooping required; must be able to lift objects weighing in excess of twenty-five pounds; must be able to physically restrain individuals when required; must operate emergency vehicle in emergency situations during all weather conditions; exposed to noise, fumes, all weather conditions.

(2) Employees in this class must be able to talk and hear; must be able to use hands to finger, handle, or operate objects, controls or tools listed above; must be able to reach with hands and arms, climb or balance; must have taste and smell abilities. Vision requirements include distance vision, color vision, peripheral vision, depth perception, and

Police Officer, Page 4

the ability to adjust focus.

Contacts: Frequent public and internal contacts requiring tact and diplomacy is requirements of the job.

Confidential Information: Regular use of confidential information.

Mental Effort: Moderate-heavy.

Interruptions: Constant.

Availability: Must be able to work irregular shifts. Must be able to respond to calls during emergencies at all hours.

Certification Requirements: Must have successfully completed required basic training; must successfully complete required annual training.

Licensing Requirements: Must possess and maintain a valid driver's license issued by the Commonwealth of Kentucky.

Additional Requirements: Must meet the job-related physical and psychological requirements in effect at the time of appointment, and must pass any job-related mental, psychological and/or physical qualifying examinations that may be prescribed. (See KRS Chapter 95 for additional requirements.)

Overtime Provision: Non-exempt.



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**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.  
 To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.  
 To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**Employer: CITY OF IRVINGTONPosition Title: Police Officer (Recruit)Is this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ NoIf no, is this position required to carry a firearm? ☐ Yes ☐ NoDoes this position require active fire suppression or prevention? ☐ Yes ☒ No**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**Employer: CITY OF IRVINGTONPosition Title: Police Officer (Recruit)

Please select the appropriate classification and answer all that are applicable.

☒ Police Officer☐ Firefighter Does this position require active fire suppression? ☐ Yes ☐ No☐ Paramedic☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No☐ Other Specify: \_\_\_\_\_Is this position required to have Peace Officer Professional Standards and Certification? ☒ Yes ☐ NoIf no, is this position required to carry a firearm? ☐ Yes ☐ No☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ NoDoes this position require a high degree of physical conditioning? ☐ Yes ☐ NoAre the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: [Signature]Date: 7-30-19Agency Head Title: Mayor

Page 1

Employer: **CITY OF IRVINGTON**Position Title: **Police Officer (Recruit)****Section 3: For All Positions**

1. List the exact position title as it appears on your job description.
2. List the position's duties (ie. training, etc.) and the percentage of time spent performing each duty. (percentage must total 100% including the clerical/administrative duties on the first page of the EMI versions) and a description of each duty in the box provided.
3. BE AS DETAINED AS POSSIBLE. The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 16.4159.

Position Duty: **Field work**Percentage of Time Spent: **85%****Description of Duties:**

Patrols the city to enforce laws and to prevent and/or discover crime; responds to calls received during shift; investigates suspicious conditions and complaints; intervenes in interpersonal crisis, conflicts and domestic violence situations; initiates investigations into all suspicious or hazardous circumstances while patrolling; conducts covert activities or surveillance assignments; performs and assists in specialized task such as investigation of arson, sex crimes, forgery, sexual/child abuse or narcotics; arrests, books and/or process criminal law violators; transport prisoners; provide traffic control; maintains order in crowd, parades or other public gatherings; investigates accidents and crime scenes; renders emergency assistance to the public; carries a firearm; serves summons, warrants and subpoenas.

Position Duty: **Clerical/office work**Percentage of Time Spent: **15%****Description of Duties:**

prepares statements of suspects, witnesses and victims; issues citations; cooperates in the prosecution of criminal offenders by court testimony; prepares written reports on shift activities; provides appropriate information to citizens regarding crime prevention; establishes rapport with citizens of the community; participates in training programs to maintain certification.

Position Duty: \_\_\_\_\_

Percentage of Time Spent: \_\_\_\_\_

**Description of Duties:**

Agency Head Signature: \_\_\_\_\_

Date: **7-30-19**Agency Head Title: **Mayor**

CITY OF IRVINGTON  
POSITION DESCRIPTION

Class Title: Police Officer (Recruit)

Department: Police

Supervisor: Police Chief or Assistant Police Chief

Supervises: None

Class Characteristics: As a sworn law enforcement officer, performs general police work in the protection of life and property, enforcement of laws and ordinances, investigation of crimes, etc.; performs related work as required.

Distinguishing Features of the Class: The work of this class involves responsibility for the protection of life and property, prevention of crime, investigation of crime, apprehension of criminals, and the general enforcement of laws and ordinances on an assigned shift or on special assignment. Duties normally consist of patrol, preliminary investigation, and traffic regulation. The work involves an element of personal danger and the employee must be able to take initiative, be assertive, act without direct supervision, and exercise independent judgment in meeting emergencies. Assignments may include work that requires specialized knowledge, skills and abilities. Newly employed police personnel who have not completed the required basic training shall serve in the Police Officer (Recruit) class until they have completed basic training (including required field training), at which time they will be considered for advancement to the Police Officer classification.

General Duties and Responsibilities (Illustrative Only):

Essential:

1. Patrols the city on foot or in radio equipped vehicle to enforce federal, state and local laws, administrative regulations and ordinances, and to prevent and/or discover the commission of crime.
2. Responds to calls received during shift; investigates suspicious conditions and complaints..
3. Intervenes in interpersonal crisis, conflict and domestic violence situations to protect life, property and personal rights.
4. Initiates investigations into all suspicious or hazardous circumstances observed while patrolling assigned area.
5. Investigates and reports factual information regarding all incidents of crime personally discovered or reported by a citizen.
6. Performs and assists in specialized tasks such as investigation of arson, sex crimes, forgery, sexual/child abuse, vice or narcotics, fingerprint identification, and intelligence collection.
7. Prepares statements of suspects, witnesses and victims.
8. Arrests, books and/or processes criminal-law violators.
9. Issues citations.

Police Officer (Recruit), Page 2

10. Cooperates in the prosecution of criminal offenders by court testimony, grand jury testimony, and at coroner's inquests.
11. Serves summons, warrants and subpoenas.
12. Transports prisoners.
13. Provides traffic control services in connection with school crossing, inoperative electronic traffic control devices, accidents, parades, and special events.
14. Maintains public order in crowds, parades, funerals or other public gatherings.
15. May render first-aid; may assist ambulance and fire/rescue services in emergency situations.
16. Checks public buildings, businesses and residential areas to enhance security against trespass, damage, and unsafe conditions.
17. Administers breathalyzer tests.
18. Investigates accidents and crime scenes; prepares reports.
19. Renders emergency assistance to citizens and the public as needed.
20. Provides appropriate information to citizens regarding crime prevention.
21. Prepares written reports on shift activities.
22. Establishes rapport with citizens of the community.
23. Participates in training programs to obtain, then maintain, certification.

Non-essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent; prior law enforcement experience preferred, but not required.

Special Knowledge, Skills and Abilities:

Knowledge:

1. Knowledge of, or ability to learn, current developments in law enforcement and public safety, and federal, state and local laws, administrative regulations and ordinances and their application in work assignments.
2. Knowledge of, or ability to learn, modern police principles, practices and methods.
3. Knowledge of, or ability to learn, the street layout and population pattern of the city.
4. Knowledge of first-aid.
5. Knowledge of preventive maintenance requirements for vehicle and equipment.

Skills:

1. Skill in the use of firearms.
2. Excellent communication skills.

Abilities:

Police Officer (Recruit), Page 3

1. Ability to successfully complete required training, including both basic training and annual training.
2. Ability to remember names, faces and details of incidents.
3. Ability to analyze situations and to adopt a quick, effective and reasonable course of action with regard to surrounding hazards and circumstances.
4. Ability to exercise good judgment, to make decisions in accordance with applicable laws and policies, to accept and share responsibility, and to be responsive in the performance of all police work, and to use resourcefulness and tact in meeting new problems.
5. Ability to understand and follow oral and written communications.
6. Ability to prepare clear and comprehensive reports.
7. Ability to use and care for firearms and other weapons; learn the safe and proper use of firearms.
8. Ability to drive and operate automobile safely and efficiently during all weather conditions.
9. Ability to establish and maintain effective working relationships with city officers and employees, other police departments/agencies, and the general public.
10. Ability to make fair and impartial decisions in accordance with applicable federal and state laws and administrative regulations, and local ordinances.
11. Physical strength and agility; excellent physical condition.

ADDITIONAL INFORMATION

Instructions: Initially, instructions are detailed and specific, but become more general with training and experience.

Processes: Work varies slightly and seldom required to take different, new or unusual approaches in completing job duties.

Review of Work: Most completed work reviewed by supervisor through either written reports or oral presentation.

Analytical Requirements: Decisions are based on wide knowledge of many factors where the application of advanced or technical concepts is required.

Tools, Equipment and Vehicles Used: Police cruiser, firearm, baton, hand cuffs; pepper spray, radio, camera, breathalyzer, PBT, normal office equipment (telephone, computer, etc.)

Physical Demands:

(1) Work is generally performed both in an office and outdoors regardless of weather conditions; intermittent sitting, standing, walking, climbing, bending, carrying, stretching and/or stooping required; must be able to lift objects weighing in excess of twenty-five pounds; must be able to physically restrain individuals when required; must operate emergency vehicle in emergency situations during all weather conditions; exposed to noise, fumes, all weather conditions.

Police Officer (Recruit), Page 4

(2) Employees in this class must be able to talk and hear; must be able to use hands to finger, handle, or operate objects, controls or tools listed above; must be able to reach with hands and arms, climb or balance; must have taste and smell abilities. Vision requirements include distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

Contacts: Frequent public and internal contacts requiring tact and diplomacy is requirements of the job.

Confidential Information: Regular use of confidential information.

Mental Effort: Heavy.

Interruptions: Constant.

Availability: Must be able to work irregular shifts. Must be able to respond to calls in emergency situations at all hours.

Certification Requirements: Must successfully complete required basic training during first year of employment in the class.

Licensing Requirements: Must possess and maintain a valid driver's license issued by the Commonwealth of Kentucky.

Additional Requirements: Must meet the job-related physical and psychological requirements in effect at the time of appointment, and must pass any job-related mental, psychological and/or physical qualifying examinations that may be prescribed. (See KRS Chapter 95 for additional requirements.)

Drug and Alcohol Testing: Employees in this class are subject to the city's drug and alcohol testing program.

Overtime Provision: Non-exempt.

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**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**

Employer: OKOLONA FIRE PROTECTION DISTRICT Position Title: Fire Marshal

Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☒ No

If no, is this position required to carry a firearm? ☐ Yes ☒ No

Does this position require active fire suppression or prevention? ☒ Yes ☐ No

**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**

Employer: OKOLONA FIRE PROTECTION DISTRICT Position Title: Fire Marshal

Please select the appropriate classification and answer all that are applicable.

☐ Police Officer

☒ Firefighter Does this position require active fire suppression? ☒ Yes ☐ No

☐ Paramedic

☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No

☐ Other Specify: \_\_\_\_\_

Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☐ No

If no, is this position required to carry a firearm? ☐ Yes ☐ No

☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)

Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ No

Does this position require a high degree of physical conditioning? ☐ Yes ☐ No

Are the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: Marlin Howard MARLIN HOWARD

Date: 7-31-19

Agency Head Title: Chief

Employer: OKOLONA FIRE PROTECTION DISTRICTPosition Title: Fire Marshal**Section 3: For All Positions**

1. List the exact position title as it appears on your job description.
2. List the position's duties (i.e. training, field duties, etc.), the percentage of time spent performing each duty (percentages must equal 100% including the clerical/administrative duties on the first page (for EMT positions), and a description of each duty in the box provided.
3. BE AS DETAILED AS POSSIBLE. The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 61.592.

Position Duty: Firefighting dutiesPercentage of Time Spent: 60%

Description of Duties:

Performs fire suppression duties, rescues trapped victims, performs chemical mitigations and controls hazardous materials releases. Provides Basic Life Support measures on emergency medical calls. Uses ladders and hose lines to control fires. Enters buildings on fire to control the fire and perform rescues. Performs ventilation, salvage and overhaul at emergency scenes. Uses power and hand tools on emergency scenes. Participates in training and equipment maintenance.

Position Duty: Fire MarshalPercentage of Time Spent: 40%

Description of Duties:

Exercises direction of the Fire Prevention Bureau for the Okolona Fire Protection District. Coordinates training for the bureau. Performs plan reviews for new construction and inspections on existing properties. Investigates fire cause and may examine witnesses, compel testimony of witnesses, administer oaths, compel production of evidence as the Fire Marshal. Conducts public education programs.

Position Duty: \_\_\_\_\_

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature:  MARLIN HOWARDDate: 7-31-19Agency Head Title: Chief



**OKOLONA FIRE PROTECTION DISTRICT  
8501 PRESTON HIGHWAY  
LOUISVILLE, KENTUCKY 40219**

**JOB DESCRIPTION  
FIRE MARSHAL**

**CHARACTERISTICS OF THE WORK**

- The Firefighter (Career) Characteristics of the Work is incorporated into this Job Description by reference.
- Responds to incident scenes to promote life safety, incident stabilization and property/environmental conservation.
- Pursuant to KRS 75.180 (1), the Fire Marshal (if the highest ranking officer present) at all fires answered by the department shall investigate their causes. The Fire Marshal (if the highest ranking officer present) may examine witnesses, compel testimony of witnesses, administer oaths, compel production of evidence and make arrests as provided in KRS 75.160. The Fire Marshal (if the highest ranking officer present) may enter any building at all reasonable times for the purpose of examining the building if, in his opinion the building is in danger of fire. The Fire Marshal (if the highest ranking officer present) shall report his findings, when requested, to the board, Kentucky Inspection Bureau and state fire marshal.
- Pursuant to KRS 75.160, the Fire Marshal has the same powers of arrest as now given by law to sheriffs of this Commonwealth and is expressly declared a conservator of the public peace whose duties, in addition to other prescribed duties, are to conserve the peace, enforce all laws and preserve order, and shall have and is expressly given the same right and the same power to arrest, search and seize as is now given by law to sheriffs of this Commonwealth. The department members shall constitute a law enforcement agency in addition to the patrol and investigation functions of the sheriff and his deputies under KRS 75.150 to KRS 75.170.
- Responsible, under standard rules, practices and procedures of the fire department, for planning, organizing, developing, and administering the functions of the Fire Prevention Bureau.
- Schedule, perform and conduct public education programs regarding fire safety or delegates appropriately.
- Under administrative direction performs managerial, inspection, investigative and educational work of exceptional difficulty in regards to the fire prevention bureau of the Okolona Fire Protection District.
- Responsible for quality control review of run reports involving structure fires, fire fatalities or injuries due to code violations.
- Exercises direction over subordinate personnel in matters of administrative nature in the fire prevention bureau.
- Performs related work as required.
- Performs other duties as directed.

**EXAMPLES OF THE WORK** (These statements are intended to be illustrations of the work of this class.)

- May exercises tactical command at incident scenes until relieved by company officers, Battalion Chief, Deputy Chief or Fire Chief.
- Responsible for the inspection and testing for operational condition of all fire hydrants, cisterns and sprinkler systems, as well as water supply systems on private property such as institutions, airports and housing projects.
- Coordinates in-service training within the Fire Prevention Bureau.
- Collaborates with other superior officers in formulating operational changes, policy changes and new regulations.

- Performs plans review for new construction or renovations.
- Performs fire prevention inspections on existing properties.
- Interprets and enforces all safety measures in accordance with building codes, local and state laws, the National Fire Protection Association and similar recognized authorities.
- Photographs life and fire hazards, accident scenes and other fire department activities when necessary.
- Makes inspections of buildings, complex operations or special conditions.
- Directs overall fire prevention inspection and fire investigation programs.
- Responsible for the accurate preparation and maintenance of all records pertaining to the Fire Prevention Bureau.
- Prepares and writes accurate recommendations to alleviate hazardous conditions.
- Participates in assignments requiring public speaking.
- Acts as Public Relations Officers for the Fire Department as directed.

#### KNOWLEDGE, ABILITIES AND SKILLS NECESSARY TO THE WORK

- Knowledge of fire fighting strategies and tactics.
- Knowledge of firefighting equipment.
- Knowledge of fire department regulations.
- Knowledge of Building Construction and applicable codes.
- Knowledge of fire prevention codes and standards.
- Ability to delegate responsibilities to subordinates.
- Ability to learn new procedures and techniques of the firefighting and fire inspection profession.
- Ability to read technical materials in order to recommend modification on present equipment.
- Ability to be accurate to order equipment and maintain records.
- Skill in written and oral communication in order to prepare and present reports, statistical information and instructional materials.
- Skill in oral communication and tact and diplomacy in order to deal effectively with the public in matters pertaining to code violations.
- Ability to work modified work schedules to attend meetings and complete various details and or duties.
- Ability to read and interpret technical materials in order to understand and explain fire codes violations to all concerned parties.
- Ability to plan and accomplish fire inspections within short deadlines in order to minimize hazards which could cause injuries or death.

#### MINIMUM REQUIREMENTS

- High School graduation or its equivalent.
- Arson 1.
- Certification by the Commonwealth of Kentucky as a Fire Prevention Inspector pre 2012 or Fire Prevention Inspector 1 post 2012.

#### SPECIAL REQUIREMENTS

- Possession of a valid driver's license.
- Current unrestricted Emergency Medical Technician by the Kentucky Board of Emergency Medical Services.
- Certification by the Commonwealth of Kentucky as a Building Inspector.
- Certification by the Commonwealth of Kentucky as a Fire Prevention Inspector.
- Certification by the Commonwealth of Kentucky as a Fire Service Instructor.

- Current certification by the Commonwealth of Kentucky as a Career Firefighter or able to obtain same within one year of date of appointment.
- Shall comply with the Okolona Fire Protection District Physical Fitness Policy.
- Shall become, within two years of appointment, a qualified operator on all fire department apparatus.

#### DESIRABLE QUALIFICATIONS

- Five years of experience in fire suppression.
- Five years of experience in fire investigation.
- Five years of experience in fire prevention.
- Certification by the Commonwealth of Kentucky as a fire service instructor level II.
- Arson II.
- Arson III.
- IS-240 a - leadership and influence or obtain in 1 year.
- IS-241 a - decision making and problem solving or obtain in 1 year.
- IS-242 a - effective communication or obtain in 1 year.
- Leadership 1 or obtain in 1 year.
- Certification by the Commonwealth of Kentucky as a Fire Prevention Inspector II.

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**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

- To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.  
 To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.  
 To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**Employer: **HIGHVIEW FIRE DISTRICT**Position Title: **EMT**

- Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☒ No  
 If no, is this position required to carry a firearm? ☐ Yes ☒ No  
 Does this position require active fire suppression or prevention? ☐ Yes ☒ No

**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**Employer: **HIGHVIEW FIRE DISTRICT**Position Title: **EMT**

Please select the appropriate classification and answer all that are applicable.

☐ Police Officer☐ Firefighter Does this position require active fire suppression? ☐ Yes ☐ No☐ Paramedic☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No☐ Other Specify: \_\_\_\_\_Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☐ NoIf no, is this position required to carry a firearm? ☐ Yes ☐ No☒ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)Does this position require frequent exposure to a high degree of danger or peril? ☒ Yes ☐ NoDoes this position require a high degree of physical conditioning? ☒ Yes ☐ NoAre the employee's duties primarily clerical or administrative? ☐ Yes ☒ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: 10%**Description of Duties:**

Perform required inspection to ensure medical supplies are stocked, equipment and apparatus is clean and operational. Assure that an adequate inventory of disposable items and medical equipment is available. Assures that all documentation required is accurate and completed in a timely manner.

Agency Head Signature: \_\_\_\_\_

Date: 08/09/19Agency Head Title: Fire Chief

Page 1

Employer: **HIGHVIEW FIRE DISTRICT**Position Title: **EMT****Section 3: For All Positions**

1. List the exact position title as it appears on your job description.
2. List the position's duties (i.e. training, field duties, etc.), the percentage of time spent performing each duty (percentages must equal 100% including the clerical/administrative duties on the first page (for EMT positions), and a description of each duty in the box provided.
3. BE AS DETAILED AS POSSIBLE. The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 61.592.

Position Duty: Provision of Basic Life SupportPercentage of Time Spent: 60%

Description of Duties:

To provide a safe and effective Basic Life Support (BLS) within the scope of training and medical protocols. Administer care to ill and injured patients at the scene of the medical emergencies, including basic and advance life support, in response to emergency calls. Transport patients to appropriate facilities, providing BLS care and treatment needed.

Position Duty: Operates an Emergency Medical VehiclePercentage of Time Spent: 30%

Description of Duties:

Operates emergency medical vehicles, including ambulances, SUVs, and other medical specialty vehicles. Vehicle operations include movement and emergency response.

Position Duty: \_\_\_\_\_

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: \_\_\_\_\_

Date: 08/09/19Agency Head Title: Fire Chief

## **JOB DESCRIPTION HIGHVIEW FIRE DISTRICT EMT**

### **JOB TITLE: EMT**

#### **Job Summary**

The Emergency Medical Technician (EMT) is a skilled and specialized medical professional. They provide basic medical care to ill and injured persons in a pre-hospital setting. They serve as an advocate for the patient to ensure proper care. They serve as an ambassador for the organization and deal with the public, family members, other providers and agencies in a manner consistent with the highest professional standards.

#### **Supervision**

The EMT shall receive their immediate supervision from their assigned Paramedic responsible for the unit they are assigned. They report to the house captain for the start of their shift. They receive their medical and general supervision from the Chief of the EMS Division and the Medical Director.

#### **Working Conditions**

Primarily outdoors, in all seasons and weather conditions, occasionally indoor office settings and classroom. The EMT may be exposed to a variety of hazardous working conditions as a routine part of their employment. They may be exposed to dusts, fumes, smoke, adverse weather, rough terrain and chemicals. They may be exposed to potentially infectious materials. They may come into contact with violent persons or patients, traffic hazards, and any other hazard associated with emergency scenes. This is not intended to be an all-inclusive list. The EMT is expected to limit their exposure to these hazards by following safety related policy, utilizing engineered safety controls and methods, wearing appropriate protective gear, and employing good common sense. They are not expected or authorized to take actions that would expose them to unreasonable risks to self and others.

#### **Physical Demands**

The EMT will routinely be exposed to physically demanding situations. The EMT must maintain the ability to endure climbing, reaching, sitting, walking, lifting, walking, grasping, pushing, and pulling. They must be able to work in a variety of terrains, weather conditions, and a variety of other hazardous conditions. They must be able to wear appropriate protective equipment. They must be able to lift, carry, and deploy job related equipment.

### **Mental Demands**

The EMT will be regularly exposed to mentally stressful and demanding situations. They must demonstrate the ability to face such situations in a calm and professional manner. They must maintain a positive and cooperative working posture and maintain a professional manner at all times while working in these conditions. The EMT must demonstrate the ability to make sound judgments in these conditions.

### **Certification**

The EMT is required to have and maintain certification as a Licensed EMT as prescribed by the Kentucky Board of EMS [https://kbems.kctcs.edu/certification\\_and\\_licensure/emt/index.aspx](https://kbems.kctcs.edu/certification_and_licensure/emt/index.aspx). This shall be the minimal education and professional certification requirement. The EMT is expected to seek a broad knowledge base through related professional certifications and educational opportunities.

### **Summary of Duties**

Key duties shall include (not all inclusive):

- Provide safe and effective Basic Life Support (BLS) within the scope of your training and medical protocols. Administers care to ill or injured persons (patients) at the scene of a medical emergency, including basic and advanced life support, in response to emergency calls. Transports patients to appropriate facilities.
- Maintain knowledge of practices, methods, protocols, guidelines and techniques for responding to emergency or non-emergency situations.
- Provides quality patient care utilizing thorough knowledge and appropriate administration of BLS techniques as outlined by state, county and/or local protocols, and completes detailed patient reports.
- Performs required inspections to ensure medical supplies are stocked; equipment and apparatus is clean and operational at all times.
- Assure that inventory of disposable items and medical equipment is controlled in the manner prescribed by policy.
- Assures that all documentation required is accurate and completed in a timely manner, prior to submission.
- Conducts post incident analysis with co-workers to point out positive points, assure quality documentation, areas of improvement and to assure adequate skills are maintained.
- Participates in continuing education training classes as an instructor or student. Helps identify training needs and continuously monitors themselves and their subordinates in an ongoing skills assessment.
- Must be able to operate emergency vehicles in accordance with District driving procedures and Emergency Medical Services Division Standard Operating Guidelines.
- Maintain a strict level of security concerning confidentiality of all information encountered.
- Reports to work regularly, on time and dressed appropriately.
- Assists other emergency service agencies as required/requested.
- Performs other assigned duties as prescribed by their supervisor.

**Kentucky Retirement Systems**

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 Phone: (502) 696-8800 • Fax: (502) 696-8822 • www.kyret.com



**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**

Employer: **HIGHVIEW FIRE DISTRICT**

Position Title: **Paramedic**

Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☒ No

If no, is this position required to carry a firearm? ☐ Yes ☒ No

Does this position require active fire suppression or prevention? ☐ Yes ☒ No

**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**

Employer: **HIGHVIEW FIRE DISTRICT**

Position Title: **Paramedic**

Please select the appropriate classification and answer all that are applicable.

☐ Police Officer

☐ Firefighter Does this position require active fire suppression? ☐ Yes ☐ No

☒ Paramedic

☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No

☐ Other Specify: \_\_\_\_\_

Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☐ No

If no, is this position required to carry a firearm? ☐ Yes ☐ No

☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)

Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ No

Does this position require a high degree of physical conditioning? ☐ Yes ☐ No

Are the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: \_\_\_\_\_

Date: **08/09/19**

Agency Head Title: **Fire Chief**

Page 1



Employer: **HIGHVIEW FIRE DISTRICT**

Position Title: **Paramedic**

**Section 3: For All Positions**

1. List the exact position title as it appears on your job description.
2. List the position's duties (i.e. training, field duties, etc.), the percentage of time spent performing each duty (percentages must equal 100% including the clerical/administrative duties on the first page (for EMT positions), and a description of each duty in the box provided.
3. BE AS DETAILED AS POSSIBLE. The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 61.592.

Position Duty: Pre-hospital care

Percentage of Time Spent: 70%

Description of Duties:

To provide a safe and effective Advanced Life Support (ALS) within the scope of training and medical protocols. Administer care to ill and injured patients at the scene of the medical emergencies, including basic and advance life support, in response to emergency calls. Transport patients to appropriate facilities, providing ALS care and treatment needed.

Position Duty: Provide First Line Supervision

Percentage of Time Spent: 10%

Description of Duties:

Monitors the work and delivery of care by the EMTs.

Position Duty: Operates an Emergency Medical Vehicle

Percentage of Time Spent: 20%

Description of Duties:

Operates emergency medical vehicles including ambulances, SUVs and other medical specialty vehicles. Vehicle Operations include movement and emergency response.

Agency Head Signature: 

Date: 08/09/19

Agency Head Title: Fire Chief

## **JOB DESCRIPTION HIGHVIEW FIRE DISTRICT PARAMEDIC**

### **JOB TITLE: PARAMEDIC**

#### **Job Summary**

The Paramedic is a skilled and specialized medical professional. They provide basic and advanced medical care to ill and injured persons in a pre-hospital setting. They serve as an advocate for the patient to ensure proper care. They serve as an ambassador for the organization and shall deal with the public, family members, other providers and agencies in a manner consistent with the highest professional standards.

#### **Supervision**

The Paramedic shall receive their immediate supervision from the shift captain responsible for the unit they are assigned. They shall receive their medical and overall supervision from the Chief of the EMS Division and the Medical Director.

#### **Working Conditions**

Primarily outdoors, in all seasons and weather conditions, occasionally indoor office settings and classroom. The Paramedic may be exposed to a variety of hazardous working conditions as a routine part of their employment. They may be exposed to dusts, fumes, smoke, adverse weather, rough terrain and chemicals. They may be exposed to potentially infectious materials. They may come into contact with violent persons or patients, traffic hazards, and any other hazard associated with emergency scenes. This is not intended to be an all-inclusive list. The Paramedic is expected to limit their exposure to these hazards by following safety related policy, utilizing engineered safety controls and methods, wearing appropriate protective gear, and employing good common sense. They are not expected or authorized to take actions that would expose them to unreasonable risks to self and others.

#### **Physical Demands**

The Paramedic will routinely be exposed to physically demanding situations. The paramedic must maintain the ability to endure climbing, reaching, sitting, walking, lifting, walking, grasping, pushing, and pulling. They must be able to work and carry loads in a variety of terrains, weather conditions, and other hazardous conditions. They must be able to wear appropriate protective equipment. They must be able to lift, carry, and deploy job related equipment.

### **Mental Demands**

The Paramedic will be regularly exposed to mentally stressful and demanding situations. They must demonstrate the ability to face such situations in a calm and professional manner. They must maintain a positive and cooperative working posture and maintain a professional manner at all times while working in these conditions. The paramedic must demonstrate the ability to make sound judgments in these conditions.

### **Qualifications/Certification**

The Paramedic is required to have and maintain certification as a Licensed Paramedic as prescribed by the Kentucky Board of EMS.

[https://kbems.kctcs.edu/certification\\_and\\_licensure/paramedics/licensure.aspx](https://kbems.kctcs.edu/certification_and_licensure/paramedics/licensure.aspx)

This shall be the minimal education and professional certification requirement. The Paramedic is expected to seek a broad knowledge base through related professional certifications and educational opportunities. The Paramedic must pass a physical exam, drug and alcohol screening. Health, vision and hearing must meet the minimum standards set forth by the department.

### **Summary of Duties**

Key duties shall include (not all inclusive):

- Provide safe and effective Advanced Life Support (ALS) within the scope of training and medical protocols. Administer care to ill or injured persons (patients) at the scene of a medical emergency, including basic and advanced life support, in response to emergency calls. Transports patients to appropriate facilities.
- Maintain knowledge of practices, methods, protocols, guidelines and techniques for responding to emergency or non-emergency situations.
- Provides quality patient care utilizing thorough knowledge and appropriate administration of BLS/ALS interventions as outlined by state, county and/or local protocols, and completes detailed patient reports.
- Provides direction, supervision and assistance to others in general execution of EMS duties; maintenance of apparatus and equipment. Provides immediate supervision to the EMT assigned with them.
- Performs required inspections to ensure medical supplies are stocked; equipment and apparatus is clean and operational at all times.
- Assure that inventory of disposable items and medical equipment is controlled in the manner prescribed by policy.
- Assure the all policies regarding the handling of Scheduled Substances are strictly followed.
- Assures that all documentation required is accurate and completed in a timely manner, prior to submission. The paramedic shall assure the quality and accuracy of all reports submitted by their subordinate EMT.
- Conducts post incident analysis with co-workers to point out positive points, assure quality documentation, areas of improvement and to assure adequate skills are maintained.

- Participates in continuing education training classes as an instructor or student. Helps identify training needs and continuously monitors themselves and their subordinates in an ongoing skills assessment.
- Must be able to operate emergency vehicles in accordance with District driving procedures and Emergency Medical Services Division Standard Operating Guidelines.
- Maintain a strict level of security concerning confidentiality of all information encountered.
- Reports to work regularly, on time and dressed appropriately.
- Assists other emergency service agencies as required/requested.
- Performs other duties as assigned by their supervisor.

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**Form 7025**  
 Revised 09/2010

**Position Questionnaire****Instructions**

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To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.

To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008**

Employer: **HIGHVIEW FIRE DISTRICT**

Position Title: **Firefighter/Paramedic**

Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☒ No

If no, is this position required to carry a firearm? ☐ Yes ☒ No

Does this position require active fire suppression or prevention? ☒ Yes ☐ No

**Section 2: For Employees With a CERS Participation Date On or After September 1, 2008**

Employer: **HIGHVIEW FIRE DISTRICT**

Position Title: **Firefighter/Paramedic**

Please select the appropriate classification and answer all that are applicable.

☐ Police Officer

☒ Firefighter Does this position require active fire suppression? ☒ Yes ☐ No

☒ Paramedic

☐ Correctional Officer Does this position routinely require face to face contact with inmates? ☐ Yes ☐ No

☐ Other Specify: \_\_\_\_\_

Is this position required to have Peace Officer Professional Standards and Certification? ☐ Yes ☐ No

If no, is this position required to carry a firearm? ☐ Yes ☐ No

☐ Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)

Does this position require frequent exposure to a high degree of danger or peril? ☐ Yes ☐ No

Does this position require a high degree of physical conditioning? ☐ Yes ☐ No

Are the employee's duties primarily clerical or administrative? ☐ Yes ☐ No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties:

Agency Head Signature: \_\_\_\_\_

Date: **08/09/19**

Agency Head Title: **Fire Chief**

Page 1

Employer: **HIGHVIEW FIRE DISTRICT**Position Title: **Firefighter/Paramedic****Section 3: For All Positions**

1. List the exact position title as it appears on your job description.
2. List the position's duties (i.e. training, field duties, etc.), the percentage of time spent performing each duty (percentages must equal 100% including the clerical/administrative duties on the first page (for EMT positions), and a description of each duty in the box provided.
3. **BE AS DETAILED AS POSSIBLE.** The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 61.592.

Position Duty: Pre-hospital carePercentage of Time Spent: 70%

Description of Duties:

To provide a safe and effective Advanced Life Support (ALS) within the scope of training and medical protocols. Administer care to ill and injured patients at the scene of the medical emergencies, including basic and advance life support, in response to emergency calls. Transport patients to appropriate facilities, providing ALS care and treatment needed.

Position Duty: Provide First Line SupervisionPercentage of Time Spent: 10%

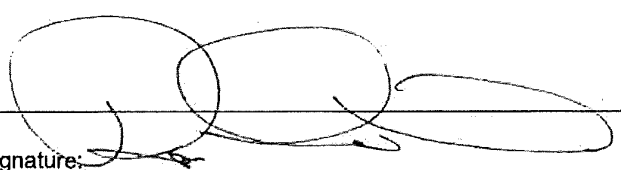
Description of Duties:

Monitors the work and delivery of care by the EMTs.

Position Duty: FirefighterPercentage of Time Spent: 20%

Description of Duties:

Responds to alarms as a firefighter and performs duties as instructed by the company officer.

Agency Head Signature: Date: 08/09/19Agency Head Title: Fire Chief

Page 2

**JOB DESCRIPTION  
HIGHVIEW FIRE DISTRICT  
FIREFIGHTER/PARAMEDIC**

**JOB TITLE: FIREFIGHTER/PARAMEDIC**

Is required to have and maintain certification as a Licensed Paramedic as prescribed by the Kentucky Board of EMS, as listed at: [https://kbems.kctcs.edu/certification\\_and\\_licensure/paramedics/licensure.aspx](https://kbems.kctcs.edu/certification_and_licensure/paramedics/licensure.aspx)

Is required to provide Advanced Life Support (ALS) and medical care to ill or injured patients at the scene of medical emergencies, including basic and advanced life support, in response to emergency calls.

Is required to be a certified Kentucky Firefighter (400 hour level or IFSAC Firefighter 1 and 2) and meet the most current prescribed requirements as listed at: [https://kyfirecommission.kctcs.edu/fire\\_commission\\_programs/incentive\\_and\\_pension.aspx](https://kyfirecommission.kctcs.edu/fire_commission_programs/incentive_and_pension.aspx) and <http://www.lrc.ky.gov/Statutes/statute.aspx?id=26133>

Is required to oversee the treatment and care delivered by EMTs at the scene of emergencies.

Respond to alarms as a Firefighter and perform duties as instructed by the Company Officer to the best of their abilities.

Be prepared to, and operate as an Apparatus Operator in the absence of a Sergeant within the framework of the Incident Command System.

Obeys the lawful orders of their superior officers to the best of their abilities.

Protect the Fire Districts assets and interest.

Maintain good public relations with the community and behave in a fashion that is consistent with high professional ethics and values.

Lead his/her peers by example, maintaining a high level of personnel integrity.

Comply with the Fire Districts Standard Operating Procedures and rules and regulations.

Knowledge and understanding of these regulations should be acquired and maintained. Participate in and deliver fire fighter training programs.

Manage programs and additional responsibilities as directed by the Company Officers.

**Maintain current knowledge of firefighting issues and issues effecting the fire service.**

**Maintain proficiency in the operation of all fire district equipment and apparatus.**

**Maintain all certifications and proficiencies required for the performance of his/her duties.**

**Maintain all Fire District equipment issued to them in good working order.**

**Be responsive and sensitive to the needs of their peers and strive to maintain high morale in the organization.**





**Kentucky Retirement Systems**  
**Audit Committee of the Board of Trustees**

**Charter**

**Effective Date: September 12, 2019**

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## AUDIT COMMITTEE OF THE BOARD OF TRUSTEES

### 1. The Charter

This Charter establishes the authority and responsibility of the Audit Committee of the Board of Trustees (Board) of Kentucky Retirement Systems (KRS).

### 2. Purpose

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the:

- Financial reporting process,
- System of internal control,
- Internal and external audit processes, and
- Process for monitoring compliance with laws and regulations and the code of conduct.

As defined by the Institute of Internal Auditors, internal auditing is *an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. The goal of internal auditing is to help the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.*

Consistent with this definition, internal auditing for Kentucky Retirement Systems can be defined as the *independent appraisal of the various operations and systems of control within Kentucky Retirement Systems to determine whether acceptable policies and procedures are followed, legislative requirements and established standards are met, resources are used efficiently and economically, planned missions are accomplished effectively, and the objectives of Kentucky Retirement Systems are being achieved.*

### 3. Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. The Audit Committee is empowered to:

- Appoint, compensate, and oversee the work of any registered Certified Public Accounting (CPA) firm employed by KRS;
- Resolve any disagreements between management and the internal or external auditor regarding financial reporting;
- Pre-approve the scope of all financial audit and non-financial audit services;
- Retain independent counsel, accountants, or others to advise the Audit Committee or assist in the conduct of an investigation;
- Seek and obtain any necessary information from person(s) employed by KRS (all of whom are directed to cooperate with the Audit Committee's requests) or external parties; and
- Meet with officers, internal and/or external auditor, or outside counsel as necessary.

#### 4. Composition

The Chair of the Board shall name the chair of the Audit Committee and appointment of Audit Committee members. Audit Committee members shall serve concurrently with the appointing Chair of the Board.

The Audit Committee will consist of at least three (3) and no more than seven (7) Board members. A quorum to conduct business is satisfied if a majority of the Audit Committee members are present.

Each Committee member will be independent.<sup>1</sup> For the purposes of the Audit Committee, independent shall mean those individuals who do not report directly to KRS' management and those persons who are not directly responsible for the day-to-day operations of KRS.

At least one member of the Audit Committee will be designated as the "financial expert."<sup>2</sup> A financial expert is an individual who possesses, among other attributes:

- An understanding of generally accepted accounting principles (GAAP) - in this case, the accounting standards issued by the Governmental Accounting Standards Board (GASB) or the Federal Accounting Standards Advisory Board (FASAB) and financial statements.
- The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves.
- Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth, depth, and level of complexity of accounting issues that can reasonably be expected to be raised by the government entity's financial statements or experience actively supervising one or more persons engaged in such activities.
- An understanding of internal control and the procedures for financial reporting.
- An understanding of audit committee functions.

As needed, the KRS Bylaws indicate the Audit Committee Chair may select members of the Audit Committee to form a Hazardous Duty Subcommittee to review participating employer requests for Hazardous Duty employment position classification requests that are submitted to KRS.

#### 5. Meetings

Audit Committee meetings must comply with Kentucky's Open Meetings Act contained in Kentucky Revised Statute Chapter 61. The Audit Committee will meet at least four (4) times a year, with authority to convene additional meetings, as circumstances require. All Audit Committee members and the Internal Audit Director are expected to attend each meeting. The Audit Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information, as deemed necessary. The Audit Committee will conduct

<sup>1</sup> Black's Law Dictionary, Sixth Ed. (1991) (p.520) defines "independent" as "not subject to control, restriction, modification, or limitation from a given outside source."

<sup>2</sup> See Sarbanes-Oxley Act of 2002 § 407.

closed session meetings with auditors and Executive Management when legally authorized under Kentucky's Open Meetings Act. Meeting agendas will be provided to Audit Committee members, along with appropriate briefing materials. Minutes will also be prepared and approved by the Audit Committee.

## **6. Responsibilities**

The Audit Committee is responsible for the following activities:

### **Financial Statements**

1. Review significant accounting and reporting issues, including accounting policies, practices, judgments, estimates, significant transactions, adjustments, unusual items, complex issues, and business arrangements.
2. Review recent professional and regulatory pronouncements and understand their impact on the financial statements.
3. Review with management and internal and external auditors the results of audits, including any difficulties encountered.
4. Review the annual financial statements and consider whether they are complete, consistent with information known to Audit Committee members, and reflect appropriate accounting principles.
5. Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
6. Review with management and the external auditor all matters required to be communicated to the Audit Committee under generally accepted auditing standards.
7. Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement in that information.
8. Review interim financial reports with management and the external auditors before filing with regulators and consider whether they are complete and consistent with the information known to Audit Committee members.

### **Internal Control**

1. Evaluate the effectiveness of the internal control system, including information technology security and control.
2. Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses.

### **Internal Audit**

1. Review with management and the Internal Audit Director the Charter, plans, activities, budget, staffing, and organizational structure of the internal audit function. Annually, review and approve the Internal Audit Charter, Audit Plan, and Internal Audit Budget.
2. Ensure there are no unjustified restrictions or limitations placed on the Division of Internal Audit Administration by KRS management in relation to the completion of audit projects.

3. Review and approve the appointment, dismissal, and replacement of the Internal Audit Director. Review and approve the salary for the Internal Audit Director with the understanding that final salary approval is at the discretion of the Governor.
4. Evaluate the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.
5. On a regular basis meet with the Internal Audit Director, including closed session discussions, pursuant to Kentucky's Open Meeting Act in KRS Chapter 61.

#### **External Audit**

1. Evaluate the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
2. Evaluate the performance of the external auditors and exercise final approval on the appointment or discharge of the auditors.
3. Evaluate and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and KRS, including non-audit services. Discuss the relationships with the auditors.
4. Annually, meet separately with the external auditors to discuss any matters that the Audit Committee or auditors believe should be discussed privately.

#### **Compliance**

1. Evaluate the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Review the findings of any examinations by regulatory agencies and any auditor observations.
3. Evaluate the process for communicating the code of conduct to personnel and for monitoring noncompliance.
4. Obtain regular updates from management and legal counsel regarding compliance matters.

#### **Reporting**

1. Regularly report Audit Committee activities, issues, and related recommendations to the Board.
2. Facilitate open channels of communication between internal auditor, external auditors, and the Board.
3. Review any other reports issued by KRS that relate to Audit Committee responsibilities.

#### **Board of Trustee Elections**

1. Review and approve election policies.
2. Review and approve changes to candidate applications.
3. Review and approve election memorandums prepared by Division of Internal Audit Administration staff.
4. Present results of elections to the Board.

**Other**

1. Perform other activities related to this Charter as requested by the Board.
2. Institute and oversee special investigations, as needed.
3. Review and assess the adequacy of the Audit Committee Charter annually. Request Board approval for proposed changes and ensure appropriate disclosure as may be required by law or regulation.
4. Confirm annually that all responsibilities outlined in this Charter have been completed.
5. Evaluate the Audit Committee's and individual members' performance on a regular basis.

**7. Responsibilities of Other Parties**

- The independent auditor is responsible for planning and conducting audits.
- Management personnel within KRS are responsible for preparing and fairly presenting the KRS financial statements in accordance with GAAP, maintaining effective internal control over financial reporting, and ensuring KRS complies with applicable laws, regulations, and other requirements.

**8. Approvals**

We, the undersigned of the Kentucky Retirement Systems, do certify that this Charter was approved by the Board of Trustees on September 12, 2019.

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Chair, Audit Committee

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Chair, Board of Trustees

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Executive Director, Kentucky Retirement Systems

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Reviewed by Office of Legal Services



**Kentucky Retirement Systems**  
**Division of Internal Audit Administration**

**Charter**

**Effective Date: September 12, 2019**



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## DIVISION OF INTERNAL AUDIT ADMINISTRATION

### 1. The Charter

This Charter establishes the authority and responsibility of the Division of Internal Audit Administration as conferred by the Audit Committee of the Board of Trustees (Board) of the Kentucky Retirement Systems (KRS).

### 2. Mission of Internal Audit

To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

### 3. Purpose of Internal Audit

As defined by the Institute of Internal Auditors, internal auditing is *an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. The goal of internal auditing is to help the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.* The Division of Internal Audit Administration helps KRS accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

### 4. Core Principles of Internal Audit

- Remain objective and free from undue influence (independent).
- Demonstrate competence and due professional care.
- Demonstrate integrity.
- Support the strategies, objectives, and risks of the organization.
- Report directly to the Audit Committee and remain adequately resourced.
- Promote quality and continuous organizational improvement by communicating effectively; providing risk-based assurance; and remaining insightful, proactive, and future-focused.

### 5. Role and Objective of Internal Audit

The internal audit function is established to assist the KRS Executive Director, management, and Board to attest to its governance role and achieve sound managerial control over all operational aspects of KRS including, but not limited to, accounting, benefits, legal compliance, asset management, and information management and control systems.

The primary objective of the Division of Internal Audit Administration is to assist all levels of management in achieving the effective discharge of assigned responsibilities by providing independent analysis, appraisals, advice, and recommendations concerning the activities reviewed. Accomplishment of this objective may involve:

- Evaluating the adequacy and effectiveness of the system of internal control.
- Evaluating the relevance, reliability, and integrity of management, financial and operating data and reports.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, statutory requirements, and regulations which could have a significant impact on operations.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the economy, efficiency, and effectiveness with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with KRS' established objectives and goals and whether the operations or programs are being carried out as planned.
- Assessing the adequacy of established systems and procedures.
- Conducting special assignments and investigations on behalf of the Audit Committee and/or Executive Director into any matter or activity affecting the probity, interests, and operating efficiency of KRS.

## 6. Independence

Internal auditing is an advisory function having independent status within KRS. The Internal Audit Director:

- Shall be independent of any other section, branch, division, or officer and shall have direct access to the Audit Committee and/or Executive Director, if required.
- Shall have no executive or managerial powers, functions, or duties except those relating to the management of the Division of Internal Audit Administration.
- Shall not be involved in the day-to-day operation of KRS.
- Shall not be responsible for the detailed development and/or implementation of new systems, but should be consulted during the system development process on the control measures to be incorporated in new or amended systems, and be advised of approved variations or new developments.

## 7. Authority

The Internal Audit Director will report functionally to the Audit Committee. Functionally meaning the Audit Committee approves items including, but not limited to the Audit Plan, various audit Charters, the audit budget, staffing, and organizational structure of the internal audit function.

The Internal Audit Director will report administratively to the KRS Executive Director. Administratively meaning the Internal Audit Director and KRS Executive Director work together on day-to-day activities including, but not limited to leave reporting, training, travel, development of the Audit Plan, and staffing requirements.

The Internal Audit Director of KRS shall:

- Have access, at all reasonable times, to all books, documents, accounts, property, vouchers, records, correspondence, and other data of KRS necessary for the proper performance of the internal audit function.
- Have the right, at all reasonable times, to enter any premises of KRS and to request and promptly receive from any officer all information and such explanations deemed necessary for the Internal Audit Director to formulate an opinion on the probity of action, adequacy of systems, and/or of controls.

It is incumbent that all KRS officers shall render assistance to the Internal Audit Director in carrying out his/her audit duties.

## 8. Responsibilities

The Internal Audit Director shall be responsible to the Audit Committee for the functional control of audit activities in relation to:

- Development, implementation, and oversight of internal audit methods and procedures.
- Development and control of an efficient internal audit program.
- Scope and boundaries of internal audits.
- Documentation of audit findings.
- Assistance in the investigation of significant suspected fraudulent activities and promptly notifying the Audit Committee and Executive Director of the results of any findings and conclusions.
- Maintenance of certain records such as, but not limited to, records related to internal audits, Board elections, and investment compliance.
- Considering the scope of work of the external auditors and regulators, as appropriate, for providing optimal audit coverage at a reasonable overall cost.
- Fulfilling the objectives of the Division of Internal Audit Administration.
- Utilizing the Division of Internal Audit Administration resources to maximize the efficiency and effectiveness of the internal audit function.
- Adherence to appropriate auditing standards.
- Review of the Annual Independent Audit Report, Management's Discussion and Analysis, Financial Statements, and footnotes prior to presentation to the Audit Committee. The Internal Audit Director will discuss with Executive Management and the external auditor any perceived errors and discrepancies. Executive Management, not the Internal Audit Director, will retain responsibility for the substantive content, accuracy, consistency, and completeness of Management's Discussion and Analysis, Financial Statements, and footnotes.

## 9. Scope of the Division of Internal Audit Administration

The scope of the Division of Internal Audit Administration shall be sufficiently comprehensive to enable the effective and regular review of all operational, financial, and related activities. The internal audit coverage may extend to all areas of KRS and include financial, accounting, benefits, administrative, computing, and other operational activities. The extent and frequency of internal audits will depend upon varying circumstances such as results of previous audits,

relative risk associated with activities, materiality, the adequacy of the system of internal control, and resources available to the Division of Internal Audit Administration.

The Division of Internal Audit Administration provides the following assurance services to KRS: independent appraisals of the various operations and systems of control within KRS to determine whether acceptable policies and procedures are followed, legislative requirements and established standards are met, resources are used efficiently and economically, planned missions are accomplished effectively, and the objectives of KRS are achieved. Assurance services are not provided to entities outside of KRS.

The Division of Internal Audit Administration provides the following consulting services to KRS: advice and guidance to management concerning controls in new systems, drafting policies, and participation on the Information Technology Governance team and other similar KRS teams.

## 10. Audit Plans

Consistent with the long-term strategic plan, the Internal Audit Director shall prepare an annual Audit Plan providing for the review of significant operations of KRS based on an assessment of risks pertaining to the achievement of KRS' objectives. The Annual Audit Plan shall be presented to the Audit Committee for deliberation and finalization.

Upon approval by the Audit Committee, the annual Audit Plan will be presented at the May Board meeting, if practicable.

## 11. Audit Committee

The purpose, authority, composition, and responsibilities of the Audit Committee are outlined in the KRS Audit Committee of the Board of Trustees Charter and the [\*Statement of Bylaws and Committee Organization\*](#).

## 12. Audit Methodology

For all audit projects, the person responsible for the activity under review shall be advised and given the opportunity to discuss the following:

- Objectives and scope of the audit to be conducted, prior to the commencement of such audit.
- Findings and proposed recommendations upon the completion of an audit, including providing an official response to the findings.

## 13. Audit Reports

A comprehensive written report will be prepared and issued by the Division of Internal Audit Administration at the conclusion of each audit and will be distributed as considered appropriate. A copy of each report is to be made available on a timely basis to the Audit Committee and the Executive Director.

Audit reports will normally explain the scope and objectives of the audit, present findings and conclusions in an objective manner relevant to the specific user's needs, and make recommendations where appropriate.

#### 14. Relationship with External Auditors

Upon request, the Internal Audit Director shall make available to the external auditors all internal audit working papers, programs, flowcharts, and reports. The Internal Audit Director shall work with the external auditors to:

- Foster a cooperative working relationship.
- Reduce the incidence of duplication of effort.
- Ensure appropriate sharing of information.
- Ensure coordination of the overall audit effort.

#### 15. Audit Standards

Internal auditing shall adhere to the *International Standards for the Professional Practice of Internal Auditing* (Standards). Where applicable, the Division of Internal Audit Administration will observe standards and statements issued by other accounting and auditing organizations located within the United States of America. The Division of Internal Audit Administration is expected to abide by the Institute of Internal Auditors (IIA) Code of Ethics (Exhibit A).

The Division of Internal Audit Administration will adhere to the IIA's Mandatory Guidance, which includes the Core Principles for the Professional Practice of Internal Auditing (see section 4), the Code of Ethics (see Exhibit A), the *Standards*<sup>1</sup>, and the definition of internal auditing (see section 3). The Mandatory Guidance constitutes the fundamental requirements for the professional practice of internal auditing and the principles against which to evaluate the effectiveness of the Division of Internal Audit Administration's performance.

#### 16. Quality Assurance and Improvement Plan

The Division of Internal Audit Administration will maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include an evaluation of the Division of Internal Audit Administration's conformance with the Standards and an evaluation of whether internal auditors apply the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Division of Internal Audit Administration and identify opportunities for improvement.

The Division of Internal Audit Administration will conduct both ongoing and periodic internal assessments and a qualified, independent assessor (or assessment team) will conduct an external assessment at least once every five (5) years. The Internal Audit Director will provide the results of the quality assurance and improvement program, including results of internal and external assessments, to the Audit Committee and Executive Director.

<sup>1</sup> <https://na.theiia.org/standards-guidance/Pages/Standards-and-Guidance-IPPF.aspx>

## 17. Approvals

We, the undersigned of KRS, do certify that this Charter was approved by the Board on September 12, 2019.

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Chair, Board of Trustees

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Chair, Audit Committee

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Executive Director, Kentucky Retirement Systems

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Internal Audit Director

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Reviewed by Office of Legal Services



## EXHIBIT A

### { CODE of ETHICS... }

#### // PRINCIPLES

Internal auditors are expected to apply and uphold the following principles:

- **Integrity**

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.

- **Objectivity**

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.

- **Confidentiality**

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

- **Competency**

Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services.

#### // RULES OF CONDUCT

##### 1. **Integrity**

Internal Auditors:

- 1.1. Shall perform their work with honesty, diligence, and responsibility.
- 1.2. Shall observe the law and make disclosures expected by the law and the profession.
- 1.3. Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4. Shall respect and contribute to the legitimate and ethical objectives of the organization.

##### 2. **Objectivity**

Internal Auditors:

- 2.1. Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
- 2.2. Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

##### 3. **Confidentiality**

Internal Auditors:

- 3.1. Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2. Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

##### 4. **Competency**

Internal Auditors:

- 4.1. Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2. Shall perform internal audit services in accordance with the *International Standards for the Professional Practice of Internal Auditing*.
- 4.3. Shall continually improve their proficiency and the effectiveness and quality of their services.





**Kentucky Retirement Systems  
Division of Internal Audit Administration**

**Policies and Procedures Manual**

**Effective Date: September 12, 2019**

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## DIVISION OF INTERNAL AUDIT ADMINISTRATION

### 1. KRS Goals and Internal Audit Activities

<b>KRS Mission</b>	<b>Internal Audit Mission</b>
Kentucky Retirement Systems (KRS) serves its stakeholders by promoting long-term financial security while building the strength of the trust funds to ensure that adequate resources are available to meet the systems' current and future obligations.	The mission of the Division of Internal Audit Administration is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.
<b>KRS Goals</b>	<b>Internal Audit Activities to Achieve this Goal</b>
1. Leadership by Cost effective and efficient management,.	Evaluate the adequacy and effectiveness of the system of internal control; review the means of safeguarding assets; and assess the economy, efficiency, and effectiveness with which resources are employed.
2. Deliver service to our membership in an accurate, courteous, prompt, and professional manner.	Ensure compliance with policies, procedures, plans, regulations, and other applicable laws; review operations and ensure they are consistent with KRS' established objectives and goals; and, assess the adequacy of established systems and procedures.
3. Acknowledge our fiduciary responsibility to conduct business under the highest ethical standards, acting with good-faith and care, with commitment to fostering a culture of accountability and transparency, and in compliance with its mission and the law.	Assure the reasonableness of financial statements; relevance, reliability, honesty, and integrity of management; financial and operating data and reports; and conduct special assignments and investigations on behalf of the Board of Trustees and Executive Management.

### 2. Introduction

#### Core Principles of Internal Audit

- Remain objective and free from undue influence (independent).
- Demonstrate competence and due professional care.
- Demonstrate integrity.
- Support the strategies, objectives, and risks of the organization.
- Remain adequately resourced.
- Promote quality and continuous organizational improvement by communicating effectively; providing risk-based assurance; and remaining insightful, proactive, and future-focused.

**Comparison of Internal and External Auditor Duties**

<b>Internal Auditors</b>	<b>External Auditors</b>
Report on the state of governance, risk management, and organizational internal controls to Executive Management, the Audit Committee, and the Board of Trustees.	Report on the accuracy of annual reports and financial statements to shareholders and the public.
Focus on the whole organization, all departments, functions, and operations.	Focus on finance and accounting.
Review adequacy of controls designed to ensure that risks are effectively managed. Test key controls to ensure they are operating as intended.	Identify risks and assess controls over financial reporting. Gain sufficient audit evidence to conclude that financial statements are accurate.
Provide recommendations to improve the overall internal control environment and to improve operational performance of the organization as a whole.	Make recommendations to improve the financial control environment.

**Purpose and Activities**

The Internal Audit (IA) function is established to assist the Kentucky Retirements Systems' (KRS) Executive Director, Executive Management, and Board of Trustees (Board) to attest to its governance role and achieve sound managerial control over all operational aspects of KRS including, but not limited to, accounting, benefits, legal compliance, asset management, and information management and control systems. The overall objective of IA is to assist all levels of management in the effective discharge of their responsibilities by providing independent analysis, appraisals, advice, counsel, and recommendations concerning the activities reviewed. In carrying out its duties and responsibilities, IA will have full, unfettered, and unrestricted access to all agency activities, records, property, and personnel.

IA seeks to identify risks, evaluate controls, and make recommendations that will strengthen the business operations of KRS. IA provides assistance to improve the performance and accountability of KRS by assessing the reliability of financial and operating information; evaluating the efficiency and effectiveness of other divisions; testing the adequacy of controls for preventing waste and safeguarding assets; and verifying compliance with policies, procedures, laws, and regulations. IA also advises and provides KRS employees ways to increase internal control knowledge, awareness, and assessment capabilities; promotes continuous improvement by making appropriate recommendations for improving the governance process; and assuring reasonableness of the financial statements. In addition, IA promotes ethics and values within KRS; communicates risk control information to appropriate areas of KRS; and coordinates activities with the Audit Committee, Board of Trustees, Executive Management, and the External Auditor, if necessary.

### **Independence, Objectivity, and Ethics**

The audit function is a staff and advisory role reporting functionally to the Audit Committee and the Board and administratively to the KRS Executive Director. The Internal Audit Director is, therefore, considered independent of KRS operations. Functionally means the Audit Committee approves items including, but not limited to the Audit Plan, various audit Charters, the audit budget, staffing, and organizational structure of the internal audit function. Administratively means the Internal Audit Director and KRS Executive Director work together on day-to-day activities including, but not limited to leave reporting, training, travel, development of the Audit Plan, and staffing requirements.

Objectivity is essential to the audit function. Therefore, the Internal Audit Director should not design or implement procedures for other agency divisions that may be subject to future review by the Division of Internal Audit. The Internal Audit Director must not implement controls for new systems as this could compromise the Internal Audit Director's objectivity. When new programs are being implemented, the Internal Audit Director may offer suggestions for controls without impairing objectivity.

The Internal Audit Director shall maintain high standards of conduct, honor, and character so that credibility and integrity are not impeached or otherwise questioned. The Internal Audit Director will subscribe to the Codes of Professional Ethics and Standards as promulgated by the Institute of Internal Auditors (IIA), and Commonwealth of Kentucky Personnel Policies, and Kentucky Executive Branch Code of Ethics.

### **Internal Audit Charter**

The KRS Division of Internal Audit Administration Charter establishes the authority and responsibilities of the Division of Internal Audit Administration conferred by the Audit Committee of the Board. The Charter is reviewed annually and approved by the Audit Committee and the Board.

### **Audit Committee Charter**

The Audit Committee Charter establishes the authority and responsibility of the Audit Committee of the Board of Trustees. It is approved by the Audit Committee and ratified by the Board.

### **Internal Audit Budget**

The Audit Committee approves a biennial budget for IA based on the audit plan, outside resources, and technological needs. The Internal Audit Director prepares the budget for the Audit Committee's approval. The Board ratifies the Internal Audit budget. The Internal Audit Director provides an "actual to budget comparison report" for the Audit Committee's review during each quarterly Audit Committee meeting. The Audit Committee Biennial Budget should be presented to the KRS Executive Director – Office of Operations for inclusion in the KRS Biennial Budget Request.

### **Composition**

IA was established in July 2003 and is currently comprised of three positions: Division Director, Assistant Director, and Internal Auditor. In October 2009, the Investment Compliance Officer position was placed under the IA organizational structure and reports directly to the Internal Audit Director. Currently, the Assistant Director serves as the Investment Compliance Officer.

### **Internal Audit Staff Responsibilities**

#### ***Division of Internal Audit Administration Director***

Oversees the creation and assessment of compliance audits with financial, operational, and IT controls in accordance with the Board and management specifications. Ensures policies, programs, and procedures are in place to achieve strategic, risk management, and operational objectives. Responsibilities include performing operational, financial, and system audits in support of the KRS internal audit plan; evaluation of adequacy and effectiveness of internal controls; assessment of governmental and regulatory compliance; and recommending improvements to mitigate risks and improve controls. Reviews accounting systems in order to identify strengths and weaknesses, recommend new methods, and propose new controls or modifications to current controls.

#### ***Assistant Director/Investment Compliance Officer***

The primary responsibility of the Assistant Director is to serve as the KRS Investment Compliance Officer. Job duties include, but are not limited to the following activities:

- Perform daily, quarterly, and annual reviews of purchases, sales, income transactions, portfolio composition, cash management, and other investment related activities.
- Audit the activities and various functions of investment operations, as contained within the annual Audit Plan and requested by management, to ensure proper internal controls and compliance with internal policies and procedures and governmental policies and procedures.
- Adequately document all test work, prepare work papers, and draft written reports for each assignment.
- Communicate audit results to Internal Audit Director, KRS Executive Director, , Executive Director of the Office of Investments, Investment Committee, and Audit Committee.

#### ***Internal Auditor***

The main responsibility of the Internal Auditor is to support the Director and Assistant Director in completion of daily activities. Job duties include, but are not limited to the following activities:

- Audit the processes and functions of various internal operations to ensure proper internal controls and compliance with internal policies and procedures and governmental policies and procedures.
- Plan and conduct compliance, operational, and financial audits.
- Complete special project requests as assigned.
- Adequately document all test work, prepare work papers, and draft written reports for each assignment.
- Communicate audit results to Internal Audit Director.

**Specific Areas of Expertise**

Since IA has limited resources and specialized requirements are needed to administer a complex public pension system, IA may request third-party expertise to assist in fulfilling audit goals (e.g. information technology, data security, and investment monitoring).

**3. Internal Audit Services**

IA provides independent auditing and consulting services to assist management in balancing operational efficiency with risk identification, assessment, and control. IA reports to the Audit Committee and the Board and collaborates with KRS management to enhance assurance and accountability at all levels of KRS. In order to meet the responsibilities and objectives as set forth in the Audit Charter, it is necessary for IA to perform reviews and audits of varying types and scopes depending on the circumstances and requests from management. Each fiscal year an Audit Plan is developed and submitted to the Audit Committee and the Board for review and approval. The Audit Plan is based on a risk assessment methodology as well as requests from management and the Audit Committee. Employees of KRS can also request audit services. IA provides the following types of audit services:

**Financial Audits**

A financial audit is a review intended to serve as a basis for expressing an opinion regarding the fairness, consistency, and conformity of financial information with generally accepted accounting principles (GAAP). Financial audits can be comprehensive or limited in scope depending on the objectives. A comprehensive financial audit consists of a review of the financial statements of an entity over a specific duration of time to accurately express an opinion on those statements. Such an audit is conducted in accordance with generally accepted auditing standards (GAAS) as adopted by the American Institute of Certified Public Accountants (AICPA).

Prior to presentation to the Audit Committee, the Internal Audit Director will review the Annual Independent Audit Report, Management's Discussion and Analysis, Financial Statements, and footnotes. The Internal Audit Director will discuss with Executive Management and the external auditor any perceived errors or discrepancies. However, KRS management, not the Internal Audit Director, is responsible for the substantive content, accuracy, consistency, and completeness of Management's Discussion and Analysis, Financial Statements, and footnotes.

Financial audits are more limited in scope and concentrate on a review of specific financial transactions. The primary concerns include determining accuracy of data and evaluation of controls by reviewing the following items:

- Physical control over assets,
- System of authorization and approval,
- Separation of duties between operations and custody of assets.

**Compliance Audits**

Compliance audits determine whether a division has complied with KRS policies and procedures, departmental policies and procedures, [Kentucky Administrative Regulations](#), [Kentucky Revised Statutes](#), and federal law.



### **Operational Audits**

Operational audits are concerned with the effectiveness and efficiency of business units to attain organizational and departmental objectives. Effectiveness measures how successfully an organization achieves its goals and objectives. Efficiency measures how well an entity uses resources to achieve its goals.

### **Investment Audits**

Investment compliance is monitored daily and results are presented on a quarterly basis to the Internal Audit Director, KRS Executive Director, Executive Director of the Office of Investments, Investment Committee, and Audit Committee. In addition, investment audits may be performed to review movement of funds (e.g. purchases, sales, and income), portfolio composition, cash management, manager fees, and other investment related activities. Investment audits may also be performed to ensure compliance with procurement regulations, contracts, internal policies and procedures as well as to ensure proper internal controls exist over the investment function.

### **Special Projects**

Special projects include but are not limited to:

#### ***a. Information Technology Audits***

Audits of information systems and technology may be performed to determine whether existing or new computer applications and hardware function in an accurate and efficient manner and include adequate internal controls. Audit involvement in a new system may include the review of system development methodology and the effectiveness and efficiency of the system being implemented. These audits could include reviews of general controls which affect all computer applications. Examples may include computer security, disaster recovery, program change controls, and quality control procedures.

#### ***b. Investigative Audits***

Investigative audits may result from findings during a routine audit or from information received from personnel. These audits are normally requested by management, Board of Trustees, and/or anonymous tips and focus on alleged, irregular conduct. Reasons for investigative audits may include: internal theft, misuse of State property, and/or conflicts of interest. The audit should be conducted immediately, collecting and preserving as much relevant evidence as possible. It is essential that the records in question be removed from the department/employee under investigation or otherwise safeguarded. Investigative audits will be conducted in accordance with IA procedures and may include expertise from internal and external experts in fields, such as but not limited to, legal, information technology, human resources, and accounting. A draft investigative audit report will be provided to the Audit Committee. The Audit Committee will determine if further actions are needed. The Audit Committee will control any internal or external report distribution.

**c. *Management Audits or Reviews***

A management audit assesses the quality of the decision-making process and the information environment. These audits may be requested by the senior officers or the Board of Trustees and may also be performed as needed in response to particular findings identified during the course of performing other types of audits within a particular department.

A management review is performed on a specific business process. It assesses the effectiveness of internal controls over the process as well as tests the efficiency of the process. These reviews also help ensure the business process is operating the way management intended. These reviews are requested by the senior officers or the Board of Trustees and are typically performed in conjunction with a new business process being developed or immediately after a new business process is implemented.

**d. *Performance Audits***

These are audits that provide an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action. Performance audits include, but are not limited to, reviews of departmental procedures and operations to determine whether:

- The duties and responsibilities are being performed in the most efficient and economical (cost effective) manner.
- Activities are properly authorized by management.
- The management system has the capacity to ensure compliance with applicable laws, regulations, contracts, and policies.
- Operations actually conform in all material respects to applicable laws, government regulations and standards, contracts, policies, and industry standards.

**e. *External Audit Assistance***

Assistance may be provided to the External Auditor and/or the State Auditor during the annual audit of the KRS financial statements. The Internal Audit Director will work with the external auditors to foster a cooperative working relationship; reduce the incidence of duplication of effort; ensure appropriate sharing of information; and ensure coordination of the overall audit effort. Upon request, the Internal Audit Director will make available to the external auditors all internal audit working papers, programs, flowcharts, and reports. The Internal Audit Director annually will review the resulting management letter comments to determine any impact upon the annual Internal Audit Plan.

**f. *Referencing***

During the course of various types of audits, the Internal Audit Director may identify continuing patterns of conduct or reoccurring “themes” (e.g the same type of problem is noted for different departments). For example, findings for two divisions within an office, which identify a broader office finding (e.g. lack of controls, need for increased

communication, absence of performance criteria, insufficient data processing policy, etc.). When compiling the annual Internal Audit Department Results Report, IA always considers these themes when scheduling audits for the next period, particularly when these items impact the KRS mission.

#### **Board of Trustee Elections**

IA assists in each Board election (Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System). During elections, IA is responsible for the following:

- Preparing the request for nominations.
- Accepting and reviewing applications.
- Preparing the ballot voting letter sent to each member.
- Ensuring ballots are properly generated.
- Working with External Auditors to ensure ballots are properly received and counted by an outside party.
- Tracking undeliverable ballots and communicating this information to the Division of Member Services.
- Tracking ballots submitted to the KRS mailing address.
- Preparing the Congratulatory Memorandum to the successful candidates and Regret Memorandums to the unsuccessful candidates.
- Presenting the results of the elections to the Executive Director, Executive Management, Audit Committee, and Board.

## **4. Internal Audit Practices**

### **Conflicts of Interest**

Internal Auditors shall be objective and free from undue influence in performing their job. Objectivity requires internal auditors to have an impartial and unbiased attitude, to avoid conflicts of interest, and to perform audits in such a manner that no significant quality compromises occur. To help ensure that internal auditors are not placed in an environment impeding their ability to make objective, professional judgments, the IA will take the following precautionary measures:

- Each internal auditor will be required to complete an annual Conflict of Interest Statement certifying that auditors have no actual or perceived conflict that would impair their objectivity or independence. This statement will be signed by the auditor's direct supervisor.
- Staff assignments will be made so that potential and actual conflicts of interest and bias are avoided. If a conflict of interest or bias is present, the auditor(s) will be reassigned.
- Staff assignments will be rotated periodically, if practicable to do so.
- Internal auditors will not assume operational responsibilities.
- For a period of no less than one year, internal auditors will refrain from assessing specific operations for which they were previously responsible.

**Due Professional Care**

Internal auditors shall apply the care and skill expected of a reasonably prudent and competent auditor. Due professional care does not imply infallibility and internal auditors must exercise due professional care, with consideration of the following:

- Extent of work needed to achieve the engagement's objectives.
- Relative complexity, materiality, or significance of matters to which assurance procedures are applied.
- Adequacy and effectiveness of risk management, control, and governance processes.
- Probability of significant errors, irregularities, or noncompliance.
- Cost of assurance in relation to potential benefits.
- Use of various software tools including, but not limited to Excel, Access, Word, Interactive Data Evaluation and Analysis (IDEA), and Gravity Software

**Proficiency and Continuous Professional Education (CPE)**

Auditors shall collectively possess the knowledge, skills, attributes, and other competencies essential to the practice of internal auditing within the organization. Educational and work experience criteria have been established for the various positions within IA. In order to maintain their proficiency, all auditors are encouraged to continue their education and will be provided adequate opportunities to do so. Such continuing education ensures that internal auditors remain current on professional techniques and standards. Continuing education hours are also necessary to meet certification requirements. Internal auditors are encouraged to obtain professional certification(s). Accreditation is an important indicator of an auditor's technical proficiency. Certification as a Public Accountant, Internal Auditor, or Information Systems Auditor is encouraged for all departmental personnel. If no certification requirements are necessary, a minimum of 16 hours of continuing auditor education shall be obtained annually. Continuing education may be obtained through membership and participation in professional societies, attendance at conferences, college courses, and in-house training.

In addition, members of the Institute of Internal Auditors (IIA), The American Institute of CPAs (AICPA) and/or the Kentucky Institute of CPAs (KyCPA) must satisfy the requirements of those respective organizations. KRS may reimburse an auditor for the cost of obtaining continuing education; however, the employee should obtain approval prior to registering for any course or seminar.

**Performance Evaluations**

Performance evaluations for merit employees shall be conducted as outlined in the Commonwealth of Kentucky Personnel Policies and Kentucky Revised Statutes chapter 18A. The Audit Committee Chair and Executive Director shall review the performance of the Internal Audit Director.

**Quality Assessment and Improvement Program**

The Division of Internal Audit Administration will maintain a quality assurance and improvement program that covers all aspects of the IA function. The program will include an evaluation of IA's conformance with the *International Standards for the Professional Practice of Internal Auditing* and an evaluation of whether internal auditors apply the IIA's Code of

Ethics. The program will also assess the efficiency and effectiveness of IA and identify opportunities for improvement.

### **Internal Assessment (Ongoing and Periodic)**

#### ***Ongoing Internal Assessments***

Ongoing internal assessments for routine internal audit activities are an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. The measurement tools for assessment are engagement supervision, feedback from audit customers, audit plan completion, and analysis of other performance metrics such as recommendations accepted. Conclusions and planned corrective action will be developed and presented to the Audit Committee and KRS Executive Director.

#### ***Periodic Assessments***

Annually, the Division of Internal Audit Administration will conduct a Self-Assessment as outlined by the IIA. The Director of Internal Audit will disclose the results of the Self-Assessment and any needed corrective action to the Audit Committee and KRS Executive Director.

### **External Assessments**

At least once every five years, a qualified, independent assessor (or assessment team) will conduct an external assessment. This can be completed as either a Self-Assessment with Independent External Validation or a full external assessment.

### **Records Retention and Disposition**

IA shall retain a complete file of each audit report and each report of other examinations, investigations, surveys, and reviews made under its authority in accordance with the KRS records retention policy or policies of the Kentucky Department for Libraries and Archives for a period of seven (7) years. The file shall include audit work papers and other supportive material directly pertaining to the report. To guard against identity theft and fraud, destruction of business records and materials shall be done in a secured manner such as through use of the on-site Division of Waste Management recycle containers. All CD/DVD materials shall be submitted to the Information Security Officer.

## **5. Internal Audit Procedures**

### **Risk Assessment Process**

The Audit Plan is based on a risk assessment methodology, as well as requests from management. IA assesses KRS by seeking input from key members of management and other personnel (via interviews, emails, etc.) as well as reviewing the results of internal and external audits. IA then considers organizational risks, such as established internal controls, current management and control environment, staffing, system changes, regulatory and legal changes, and impact to the financial statements. Based on the information gathered, an Audit Plan is developed weighting each risk according to the significance to the overall mission and objective of KRS.

The Risk Assessment Methodology is based upon the following six-part process:

- Identifying KRS division activities.
- Establishing the “audit universe” (areas of concern for KRS).
- Scoring the organizational risks for each identified areas in the “audit universe.”
- Ranking the auditable areas.
- Developing the Audit Plan.
- Submitting the Audit Plan to the Audit Committee for review and approval.

Organizational risks are scored using a point value with one (1) representing the lowest level of risk and five (5) the highest. The individual factor scores are then multiplied by the risk weight factor. The weighted risk factor elements are collectively totaled to obtain the respective aggregate risk rating for each auditable area. The overall risk scores for all KRS activities are then ranked highest to lowest. After ranking, an Audit Plan is developed.

### **Internal Annual Audit Plan**

Based upon the Risk Assessment Model, IA develops the Audit Plan through a prioritization process scheduling audits for the highest risk areas. The Audit Plan represents potential audits. IA also identifies other potential audit segments such as business processes, expense contracts, and functional areas that may cross over operational units.

The Risk Assessment Model and Audit Plan are presented to the KRS Executive Director in order to obtain suggestions, concerns, and priorities. After approval of the Audit Plan obtained from the KRS Executive Director, the Audit Plan is submitted to the Audit Committee for approval. The Audit Plan is periodically reviewed, evaluated, and modified (e.g. objectives, goals, and strategies) according to the specific risk factors related to KRS’ operations, internal controls, and estimated liability exposure to the Commonwealth of Kentucky. Staff is assigned to audits based upon that auditor’s background and experience.

IA staff continually track audits using the Audit Status Tracker spreadsheet, which includes dates for significant milestones. IA staff also performs projects (not foreseen during risk-assessment/planning), which are requested by Executive Management during the fiscal year. These are also tracked on the Audit Status Tracker spreadsheet. All findings and recommendations, including status and implementation date, are tracked through Gravity Software.

### **Audit Procedures**

There are seven phases to each audit.

#### **a. *Planning Phase:***

1. Establish audit objectives and scope.
2. Prepare engagement letter and notify auditee of the audit, including the scope.
3. Conduct preliminary research of agency policies and procedures, state regulations, and federal regulations.
4. Review previous audit reports and document findings and conclusions that may affect the scope of the current engagement.
5. Conduct entrance conference with auditee and document results.
6. Perform walkthroughs or preliminary surveys to identify internal controls and risks.



7. Prepare flowchart(s) and/or narrative(s) based on walkthrough/survey results.
8. Conduct risk assessment and fraud brainstorming session(s) with IA management.
9. Develop an audit program with scope, risks, nature, and extent of testing required to achieve the objectives of the engagement.
10. Submit audit program for supervisor approval. Approvals will be documented through electronic audit software.

**b. *Fieldwork Phase:***

1. Perform analytical procedures. If applicable, use Computer Assisted Audit Tools and/or IDEA audit software to obtain sample and/or perform testing.
2. Complete testing procedures outlined on the Audit Program.
3. Reevaluate risks to determine if additional significant risks were noted during fieldwork that need to be tested.
4. Meet with auditee to discuss findings and conclusions noted. Determine if there is additional information that can be provided to clear any exceptions noted during fieldwork. If not, work with auditee to determine the cause of the exceptions and possible recommendations.
5. Develop findings for exceptions noted during fieldwork. Each finding must include the condition, criteria, cause, effect, and recommendation.
6. Verify that each step in the audit program has been performed.
7. Submit fieldwork, including findings to supervisor for review. Approvals will be documented through electronic audit software.
8. Once supervisor review is complete, write draft audit report. Ensure the report includes audit objective, scope, and methodology; background on the auditee; reasonable assurance; and findings. Again, each finding must include the condition, criteria, cause, effect, and recommendation.
9. Ensure draft report(s) are appropriately identified and embossed with the language or watermark "DRAFT" on the document.
10. Submit to supervisor for approval. Approvals will be documented through electronic audit software.

**c. *Completion Phase:***

1. Conduct an exit conference with auditee to review findings and recommendations.
2. Verify that work papers are adequately indexed, initialed, cross-referenced, and dated.
3. Complete the necessary work paper review checklist.
4. Verify that the last date of fieldwork is recorded on the audit program and the audit report.
5. Update the Audit Status Tracker spreadsheet with all date information.

**d. *Reporting Phase:***

1. After conducting an exit conference and after supervisor approval, issue the draft report to auditee management for response (with a contemplated two week response time). Approvals will be documented through electronic audit software.
2. Obtain management's response for each recommendation.
3. Incorporate management's response into the draft audit report.

4. If necessary, provide an IA response.
5. Write the Audit Report Memorandum (addressed to Audit Committee Chair),
6. Submit the Audit Report Memorandum to IA supervisor for approval. Approvals will be documented through electronic audit software.
7. Internal Audit Director will issue and distribute the final audit report to the applicable management and interested parties.

**e. *Post-Audit Client Survey:***

1. Send Post-Audit Client Survey to auditee management for quality purpose.
2. Obtain questionnaire responses in a timely manner.
3. Make improvements in next assigned audit.

**f. *Preparation for Audit Committee Meeting:***

1. Prepare Audit Committee Meeting Agenda.  
*One week prior to the Audit Committee meeting, send audit reports and other information to Audit Committee members and Chair for advanced review.*

**g. *Follow-up:***

1. Follow-up on all audit recommendations to determine the status of the implementation of each recommendation.  
*Note: this can be performed as a separate engagement or can be included during future audit engagements when IA staff review prior reports for findings that could affect the current engagement.*

**Audit Follow-up Procedures**

**a. *Purpose***

1. To determine that corrective action was taken and is achieving the desired results or that Executive Management or the Board has assumed the risk of taking no corrective action on reported observations.
2. To determine the adequacy, effectiveness, and timeliness of actions taken by management on reported engagement observations and recommendations, including those made by external auditors and others.

**b. *Procedures***

1. Ninety (90) days after implementation date or final report is issued (if no implementation date provided), if: (i) IA obtains management's oral or written response indicating that action has been taken and (ii) IA determines the action is sufficient when weighted against the relative importance of the engagement observation or recommendation, then follow-up may be performed as part of the next engagement. Please see step two for action taken if management does not provide a response or if the response does not fully address the findings and conclusions.
2. Ninety (90) days after implementation date or final report is issued (if no implementation date provided), a copy of the finding, generated from electronic audit software, will be sent to the individual(s) whose responses are reflected in the final report. Each addressee will be asked to indicate the status of achieving the recommendations listed on the generated report and return it to IA. For any



recommendation not already implemented, the auditee will be asked to provide the targeted implementation date or an explanation why the recommendation cannot be implemented. If current recommendation cannot be implemented, auditor will request a description of any alternate solutions implemented or planned.

3. After obtaining management's written response, IA will verify the implementation status of recommendations related to findings through use of a follow-up audit. Scheduling a follow-up audit will be predicated on the risk and exposure involved as well as the degree of difficulty, cost, and significance of timing in implementing corrective action.
4. For any unimplemented recommendations relating to significant findings, IA will continue to perform a quarterly follow-up with the appropriate individuals.
5. If Executive Management has accepted a level of residual risk that is unacceptable to the organization and the residual risk is not resolved, the Audit Committee will be informed of Executive Management's decision.

### **Investment Audits/Reviews**

The Assistant Director (Compliance Officer) of the Division of Internal Audit will conduct investment audits and reviews following the audit procedures stated above; however, in addition to sending the draft report to management for response, a draft report will also be prepared for the Investment Committee. A final copy of the audit report with responses from both auditee management and the Investment Committee will be provided to the Audit Committee at the next scheduled meeting.

## **6. Investment Compliance Procedures**

### **a. Daily Exception Compliance**

1. BNY Mellon's Global Risk Solutions group runs the Kentucky Composite Report and emails it daily to the Investment Executive Director, Compliance Officer, and Internal Audit Director. The composite reports test the previous business day's activities against the restrictions set forth in the Investment Policy.
2. The Compliance Officer reviews the Kentucky Composite Report and tracks compliance exceptions in an Excel spreadsheet.
3. If an asset class has four (4) or more exceptions within a month, that asset class is deemed non-compliant.
4. All items not in compliance are investigated.
5. If the non-compliance appears to be a technical issue, the Compliance Officer contacts BNY Mellon to resolve the issue. If the exception is legitimate, the Compliance Officer contacts the Director of the asset class generating the exception to determine the cause.
6. The cause is noted in the Excel tracking spreadsheet.
7. These reports are rolled into the Quarterly Compliance Report and at the end of the quarter, any guidelines consistently out of compliance are listed on the KRS Compliance Checklist

**b. Quarterly Compliance Report**

1. BNY Mellon's Global Risk Solutions group emails the KRS Monthly Performance Reports for both the Pension and Insurance plans for the related quarter end date to all employees in the Office of Investments, Compliance Officer, Assistant Director of Accounting – Investment Operations Branch, Accounting Branch Managers (Investment Operations and Cash Management), Accounting Director, and Internal Audit Director.
2. The Performance Reports are used to determine short-term and long-term returns for Kentucky Employees Retirement System (KERS), Kentucky Employees Retirement System Hazardous (KERS-H), County Employees Retirement System (CERS), County Employees Retirement System Hazardous (CERS-H), and State Police Retirement System (SPRS). Performance is measured against benchmarks established by the Investment Committee and approved by the Board.
3. The Performance Reports are also used to determine returns by asset class which are benchmarked to indices established in the Investment Policy.
4. KRS receives a Total Plan Attribution Detail by Asset Assignment report for both the Pension and Insurance plans for the related quarter end date. These reports compare end of period asset allocations to targets established by the Investment Committee and approved by the Board.
5. These reports provide detailed asset allocations for KERS, KERS-H, CERS, CERS-H, and SPRS for both Pension and Insurance.
6. BNY Mellon's Global Risk Solutions group emails KRS quarterly Peer Comparison Reports for both the Pension and Insurance plans to the Compliance Officer and Internal Audit Director. KRS can glean short-term and long-term data in regard to volatility and KRS' peer universe.

**7. Outsourced Third Party Audits**

Outsourced third party audits will be approved by the Audit Committee. The findings, recommendations, and management comments will be presented to the Audit Committee for approval and for subsequent ratification by the Board.

**8. Management Requests (Special Audits)**

Management requests (special audits) not previously identified on the Audit Plan shall be forwarded to the Audit Committee Chair for approval. The Chair will determine if a special called meeting of the Audit Committee is necessary to discuss the management request (special audits). If the Chair determines that a special called meeting is not warranted, then management requests will be added to the Audit Plan and reported to the Audit Committee on the "Status of the Audits Memorandum" at the next regularly scheduled Audit Committee meeting. The audit procedures outlined in Section five (5) above will be followed.

## 9. Resources

- American Institute of Certified Public Accountants
- Kentucky Society of Certified Public Accountants
- Kentucky State Auditor of Public Accounts
- Kentucky State Board of Accountancy
- United States Government Accountability Office
- Government Accounting Research Systems
- Association of Government Accountants
- Association of Public Pension Fund Auditors
- Governmental Accounting Standards Board
- Government Finance Officers Association
- Institute of Internal Auditors (IIA)
- The IIA Standards
- The IIA – Code of Ethics
- The IIA – Louisville Chapter
- The IIA – Central Kentucky Chapter
- The IIA – The Tri-State (Evansville) Chapter
- Kentucky Revised Statutes
- Kentucky Administrative Regulations
- Kentucky Personnel Code of Ethics
- Kentucky Records Retention
- Committee of Sponsoring Organizations of the Treadway Commission (COSO)
- Control Objectives for Information and related Technologies (COBIT)
- Audit Dictionary
- Guidelines to the Assessment of Information Technology Risks (GAIT)

## 10. Approvals

We, the undersigned of the Kentucky Retirement Systems, do certify that this Internal Audit Policies and Procedures Manual was approved on September 12, 2019.

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Executive Director, Kentucky Retirement Systems

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Internal Audit Director

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Reviewed by Office of Legal Services



# FY 2019 – Q4 Financial Summary (Jul-Jun)

## \$ in Millions

### Pension Trust Funds:

- Total assets increased by \$518M from the end of the fiscal year (June 30, 2018).
- Investment returns were 5.67% for FY 2019 compared to 8.57% FY 2018.
- Investment fees declined \$6.3M for Q4 FY 2019 compared to Q4 FY 2018.
- At the end of Q4, all five plans showed improved net position.
- Member contributions were down for KERS, KHAZ and SPRS (lower reported payroll) compared to Q4 2018.
- Employer contributions were up across all systems due to the increase in the required employer contribution rate.
- KERS NHZ benefited the most from higher contributions rates. Cash inflows (\$1,167.7 million) exceeded outflows (\$1,012.4 million) by \$155.3 million.
- Benefit payments/refunds increased by 4.0% in Q4 FY 2019 compared to same period last year related to the normal increase in retirements. Retirement trends continue to show a stabilization in the number of new retirements.



# FY 2019 – Q4 Financial Summary (Jul-Jun)

## \$ in Millions

### Insurance Trust Funds:

- Total assets increased by \$315M from the end of the fiscal year (June 30, 2018).
- All plans showed an increase in net position for the fourth quarter.
- Net investment income was positive for all plans for the fiscal year.
- Outflows (healthcare premiums) increased less than 1% in FY 2019 compared to FY 2018.

### Administrative Expenses:

- KRS expenses were \$36.0M through Q4 (approximately 25% under budget). Administrative Expenses increased \$3.2M for FY 2019 compared to FY 2018 primarily due to the increase in the employer contribution rate and its affect on KRS employee payroll.

# Board Meeting- September 12, 2019 - Audit Committee Report

## KENTUCKY RETIREMENT SYSTEMS COMBINING STATEMENTS OF FIDUCIARY NET POSITION PENSION FUNDS As of June 30, 2019 (Unaudited)(In Whole Dollars)

	KERS	KHAZ	CERS	CHAZ	SPRS	2019	2018	
<b>ASSETS</b>								
Cash and Short-term Investments								
Cash Deposits	\$ 674,331	\$ 50,379	\$ 625,937	\$ 246,802	\$ 143,416	\$ 1,740,865	\$ 790,003	120% 1
Short-term Investments	\$ 204,980,545	\$ 41,552,611	\$ 251,805,812	\$ 103,445,143	\$ 22,069,160	\$ 623,853,270	\$ 697,650,147	-11% 2
Total Cash and Short-term Investments	\$ 205,654,876	\$ 41,602,990	\$ 252,431,750	\$ 103,691,944	\$ 22,212,576	\$ 625,594,135	\$ 698,440,150	
<b>RECEIVABLES</b>								
Accounts Receivable	\$ 109,877,704	\$ 4,993,308	\$ 57,879,134	\$ 16,520,263	\$ 8,154,430	\$ 197,424,840	\$ 132,424,293	49% 3
Accounts Receivable - Investments	\$ 49,827,195	\$ 14,167,843	\$ 150,043,002	\$ 50,110,377	\$ 6,648,061	\$ 270,796,478	\$ 216,661,516	25% 4
Accounts - Alternate Participation							\$ 86,855	
Total Receivables	\$ 159,704,899	\$ 19,161,152	\$ 207,922,136	\$ 66,630,641	\$ 14,802,491	\$ 468,221,318	\$ 349,172,663	
<b>INVESTMENTS, AT FAIR VALUE</b>								
Fixed Income	\$ 490,019,130	\$ 115,007,285	\$ 1,237,201,485	\$ 406,988,738	\$ 66,745,704	\$ 2,315,962,341	\$ 3,031,052,094	-24% 5
Public Equities	\$ 698,247,102	\$ 262,516,354	\$ 2,822,782,211	\$ 942,816,956	\$ 91,063,261	\$ 4,817,425,884	\$ 5,176,655,233	-7%
Specialty Credit	\$ 295,211,999	\$ 107,853,631	\$ 1,144,387,450	\$ 378,704,347	\$ 42,544,163	\$ 1,968,701,589		
Private Equities	\$ 201,312,872	\$ 61,609,961	\$ 669,714,938	\$ 228,979,317	\$ 19,159,251	\$ 1,180,776,338	\$ 1,271,908,119	-7%
Absolute Return	\$ 40,004,433	\$ 10,437,391	\$ 124,488,207	\$ 39,433,386	\$ 4,208,986	\$ 218,572,402	\$ 702,584,459	-69% 6
Real Estate	\$ 78,614,685	\$ 25,582,980	\$ 270,036,455	\$ 86,619,565	\$ 10,594,758	\$ 471,448,444	\$ 436,598,975	8%
Real Return	\$ 163,449,481	\$ 56,411,181	\$ 624,035,511	\$ 212,558,969	\$ 22,434,578	\$ 1,078,889,721	\$ 1,054,096,148	2%
Opportunistic	\$ 19,663,315	\$ 6,096,199	\$ 67,244,743	\$ 22,230,070	\$ 2,428,803	\$ 117,663,130		
Derivatives	\$ (108,243)	\$ (48,399)	\$ (550,519)	\$ (184,202)	\$ (21,094)	\$ (912,456)	\$ (827,190)	10%
Total Investments, at Fair Value	\$ 1,986,414,774	\$ 645,466,583	\$ 6,959,340,481	\$ 2,318,147,146	\$ 259,158,410	\$ 12,168,527,393	\$ 11,672,067,837	
Security Lending Collateral Invested	\$ 58,078,184	\$ 18,229,595	\$ 191,613,076	\$ 64,392,768	\$ 7,465,404	\$ 339,779,026	\$ 488,923,036	-31% 7
<b>CAPITAL/INTANGIBLE ASSETS</b>								
Capital Assets	\$ 929,074	\$ 91,375	\$ 1,700,704	\$ 153,235	\$ 11,003	\$ 2,885,391	\$ 2,885,391	
Intangible Assets	\$ 5,919,584	\$ 493,581	\$ 9,960,922	\$ 826,734	\$ 100,005	\$ 17,300,826	\$ 17,300,826	
Accumulated Depreciation	\$ (883,791)	\$ (86,727)	\$ (1,618,660)	\$ (145,743)	\$ (10,844)	\$ (2,745,765)	\$ (2,647,462)	
Accumulated Amortization	\$ (5,011,695)	\$ (422,047)	\$ (8,506,381)	\$ (722,020)	\$ (101,527)	\$ (14,763,669)	\$ (13,102,554)	
Total Capital Assets	\$ 953,172	\$ 76,182	\$ 1,536,587	\$ 112,206	\$ (1,363)	\$ 2,676,783	\$ 4,436,201	-40% 8
Total Assets	\$ 2,410,805,904	\$ 724,536,501	\$ 7,612,844,029	\$ 2,552,974,704	\$ 303,637,517	\$ 13,604,798,655	\$ 13,213,039,887	
<b>LIABILITIES</b>								
Accounts Payable	\$ 3,362,997	\$ 2,097,697	\$ 5,784,360	\$ 1,383,695	\$ 614,409	\$ 13,243,157	\$ 13,354,762	-1%
Investment Accounts Payable	\$ 62,739,926	\$ 16,331,905	\$ 172,471,794	\$ 57,585,433	\$ 8,315,154	\$ 317,444,212	\$ 294,905,492	8%
Securities Lending Collateral	\$ 58,078,184	\$ 18,229,595	\$ 191,613,076	\$ 64,392,768	\$ 7,465,404	\$ 339,779,026	\$ 488,923,036	-31% 9
Total Liabilities	\$ 124,181,106	\$ 36,659,197	\$ 369,869,230	\$ 123,361,896	\$ 16,394,966	\$ 670,466,395	\$ 797,183,290	
Total Fiduciary Net Position Restricted for Pensions	\$ 2,286,624,798	\$ 687,877,304	\$ 7,242,974,799	\$ 2,429,612,808	\$ 287,242,551	\$ 12,934,332,260	\$ 12,415,856,597	

### NOTE - Variance Explanation

- Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account. An effort is made to have minimal balances on hand at month end.
- Short Term Investments is primarily comprised of the cash that is on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow. The balance is unusually high because of an equity reduction at the end of September. Negotiations are currently underway to invest these funds.
- Increase in Receivables is due to the accrual of the FY 2019 Budget Surplus in KERS nonhaz and the increase in the employer contribution rate.
- Variance is a result of transaction activity which is based on each individual manager.
- The decrease is due to the creation of Specialty Credit and Opportunistic asset classes which moved assets from the Fixed Income asset class.
- The decrease is due to the Board of Trustee's decision to reduce the exposure to Absolute Return.
- Securities Lending Activity is driven by the demand of the market.
- The decrease in total Fixed Assets was due to the increase in the amortization of the fixed assets.
- Securities Lending Activity is driven by the demand of the market.

# Board Meeting- September 12, 2019 - Audit Committee Report

## KENTUCKY RETIREMENT SYSTEMS COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION PENSION FUNDS For the Year Ended June 30, 2019 (Unaudited)(In Whole Dollars)

	KERS	KHAZ	CERS	CHAZ	SPRS	2019	2018	
<b>ADDITIONS</b>								
Member Contributions	\$ 93,759,421	\$ 17,117,760	\$ 159,063,722	\$ 58,660,533	\$ 5,061,567	\$ 333,663,002	\$ 349,843,901	-5%
Employer Contributions	\$ 948,866,448	\$ 55,230,215	\$ 393,301,844	\$ 137,665,739	\$ 58,947,677	\$ 1,594,011,923	\$ 1,169,689,650	36% 1
General Fund Appropriations	\$ 75,857,750				\$ 1,086,200	\$ 76,943,950	\$ 87,574,300	-12% 2
Pension Spiking Contributions	\$ 94,847	\$ 28,641	\$ 151,211	\$ 386,815	\$ 14,536	\$ 676,051	\$ 8,077,024	-92% 3
Northern Trust Settlement	\$ 36,718	\$ 3,987	\$ 44,079	\$ 13,507	\$ 2,597	\$ 100,888	\$ 827,215	-88% 4
Health Insurance Contributions (HB1)	\$ 5,962,720	\$ 933,542	\$ 11,801,458	\$ 2,457,752	\$ 176,257	\$ 21,331,730	\$ 19,849,689	7%
Employer Cessation Contributions	\$ 10,642,662					\$ 10,642,662	\$ 16,999	62508% 5
Total Contributions	\$ 1,135,220,567	\$ 73,314,144	\$ 564,362,314	\$ 199,184,347	\$ 65,288,834	\$ 2,037,370,205	\$ 1,635,878,778	
<b>INVESTMENT INCOME</b>								
From Investing Activities								
Net Appreciation in FV of Investments	\$ 82,408,449	\$ 25,278,270	\$ 274,803,094	\$ 92,244,472	\$ 9,982,963	\$ 484,717,247	\$ 806,165,245	-40% 6
Interest/Dividends	\$ 45,566,331	\$ 15,903,403	\$ 168,631,299	\$ 56,881,429	\$ 6,523,114	\$ 293,505,577	\$ 271,338,137	8%
Total Investing Activities Income	\$ 127,974,780	\$ 41,181,672	\$ 443,434,393	\$ 149,125,902	\$ 16,506,077	\$ 778,222,824	\$ 1,077,503,382	
Investment Expense	\$ 7,333,386	\$ 2,826,542	\$ 30,717,437	\$ 10,205,257	\$ 1,048,736	\$ 52,131,357	\$ 53,497,219	
Performance Fee/Carried Interest	\$ 6,044,245	\$ 1,762,124	\$ 19,350,918	\$ 6,353,734	\$ 636,608	\$ 34,147,628	\$ 39,099,702	-7%
Net Income from Investing Activities	\$ 114,597,149	\$ 36,593,007	\$ 393,366,039	\$ 132,566,912	\$ 14,820,732	\$ 691,943,838	\$ 984,906,461	
From Securities Lending Activities								
Securities Lending Income	\$ 1,530,520	\$ 546,460	\$ 5,907,608	\$ 1,986,386	\$ 219,437	\$ 10,190,410	\$ 8,714,868	
Securities Lending Expense								
Securities Lending Borrower Rebates	\$ 1,154,625	\$ 416,045	\$ 4,505,224	\$ 1,511,956	\$ 168,366	\$ 7,756,216	\$ 4,712,751	
Securities Lending Agent Fee	\$ 55,278	\$ 19,426	\$ 211,270	\$ 71,192	\$ 7,627	\$ 364,793	\$ 444,799	
Net Income from Securities Lending	\$ 320,617	\$ 110,989	\$ 1,191,113	\$ 403,238	\$ 43,444	\$ 2,069,401	\$ 3,557,318	-42% 7
Total Investment Income	\$ 114,917,766	\$ 36,703,996	\$ 394,557,152	\$ 132,970,149	\$ 14,864,176	\$ 694,013,239	\$ 988,463,779	
Total Additions	\$ 1,250,138,332	\$ 110,018,140	\$ 958,919,466	\$ 332,154,496	\$ 80,153,010	\$ 2,731,383,444	\$ 2,624,342,558	
<b>DEDUCTIONS</b>								
Benefit Payments	\$ 988,348,862	\$ 69,526,966	\$ 766,220,610	\$ 259,008,662	\$ 60,949,211	\$ 2,144,054,310	\$ 2,062,482,804	4%
Refunds	\$ 12,342,143	\$ 2,683,998	\$ 14,387,181	\$ 2,854,144	\$ 161,696	\$ 32,429,163	\$ 34,947,137	-7%
Administrative Expenses	\$ 11,712,305	\$ 1,103,083	\$ 21,658,759	\$ 1,725,610	\$ 224,552	\$ 36,424,309	\$ 32,956,523	11%
Total Deductions	\$ 1,012,403,310	\$ 73,314,047	\$ 802,266,550	\$ 263,588,416	\$ 61,335,458	\$ 2,212,907,781	\$ 2,130,386,464	
Net Increase (Decrease) in Fiduciary Net Position	\$ 237,735,023	\$ 36,704,093	\$ 156,652,916	\$ 68,566,080	\$ 18,817,552	\$ 518,475,663	\$ 493,956,093	
<b>FIDUCIARY NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>								
Beginning of Period	\$ 2,048,889,775	\$ 651,173,212	\$ 7,086,321,881	\$ 2,361,046,728	\$ 268,425,009	\$ 12,415,856,606	\$ 11,921,900,513	
End of Period	\$ 2,286,624,798	\$ 687,877,305	\$ 7,242,974,797	\$ 2,429,612,808	\$ 287,242,561	\$ 12,934,332,269	\$ 12,415,856,606	

### NOTE - Variance Explanation

- 1 Employer contributions increased (even though there was a decrease in covered payroll for KERS, KHAZ and SPRS) because of the increase in the contribution rate across all five systems.
- 2 The General Fund appropriation amount decreased for FY 2019, but the amount does include the FY 2019 Budget Surplus in KERS nonhaz.
- 3 Pension Spiking contributions decreased due to a change in statute. Pension spiking is now the member's responsibility.
- 4 The Northern Trust Settlement amount decreased primarily due to the receipt of the initial one time payment of \$827,215 in FY 18 as well as the decline in the asset base at Northern Trust due to an asset reallocation.
- 5 Kentucky Bar Association Cessation payment.
- 6 Net Appreciation has declined as a result of less realized gains in Public Equity and Private Equity and higher unrealized losses in FY19 for Absolute Return.
- 7 Securities Lending is driven by the demand of the market.



**KENTUCKY RETIREMENT SYSTEMS**  
**COMBINING STATEMENTS OF FIDUCIARY NET POSITION**  
**INSURANCE FUNDS**  
**As of June 30, 2019**  
**(Unaudited)(In Whole Dollars)**

	KERS	KHAZ	CERS	CHAZ	SPRS	2019	2018		
<b>ASSETS</b>									
Cash and Short-Term Investments									
Cash Deposits	\$ 178,474	\$ 18,893	\$ 108,829	\$ 22,114	\$ 20,000	\$ 348,311	\$ 240,622	45%	1
Short-term Investments	\$ 82,999,366	\$ 18,488,628	\$ 125,261,697	\$ 56,235,408	\$ 10,327,685	\$ 293,312,785	\$ 261,411,565	12%	2
Total Cash and Short-term Investments	\$ 83,177,841	\$ 18,507,521	\$ 125,370,527	\$ 56,257,522	\$ 10,347,685	\$ 293,661,095	\$ 261,652,187		
<b>RECEIVABLES</b>									
Accounts Receivable	\$ 16,200,249	\$ 614,743	\$ 14,943,790	\$ 4,654,661	\$ 1,206,290	\$ 37,619,733	\$ 32,190,384	17%	3
Investment Accounts Receivable	\$ 18,374,135	\$ 10,185,226	\$ 47,335,202	\$ 25,258,984	\$ 3,764,591	\$ 104,918,138	\$ 116,692,818	-10%	
Total Receivables	\$ 34,574,384	\$ 10,799,968	\$ 62,278,992	\$ 29,913,645	\$ 4,970,881	\$ 142,537,871	\$ 148,883,202		
<b>INVESTMENTS, AT FAIR VALUE</b>									
Security Lending Collateral Invested	\$ 27,150,877	\$ 15,532,451	\$ 72,694,800	\$ 38,886,349	\$ 5,850,918	\$ 160,115,396	\$ 217,923,705	-27%	4
Fixed Income	\$ 139,163,564	\$ 86,601,390	\$ 388,595,163	\$ 208,209,641	\$ 31,006,681	\$ 853,576,438	\$ 1,150,672,130	-26%	5
Public Equities	\$ 381,086,874	\$ 208,111,228	\$ 956,548,783	\$ 513,813,137	\$ 76,051,404	\$ 2,135,611,427	\$ 2,270,831,405	-6%	
Specialty Credit	\$ 151,309,636	\$ 81,890,794	\$ 356,522,920	\$ 189,378,054	\$ 29,029,940	\$ 808,131,344			
Private Equities	\$ 47,821,541	\$ 52,750,453	\$ 283,206,434	\$ 159,633,569	\$ 24,118,628	\$ 567,530,625	\$ 557,549,236	2%	
Absolute Return	\$ 14,125,922	\$ 9,379,906	\$ 40,099,851	\$ 22,466,625	\$ 3,517,516	\$ 89,589,819	\$ 286,308,836	-69%	6
Real Estate	\$ 28,405,603	\$ 20,821,470	\$ 90,370,061	\$ 49,496,798	\$ 7,950,275	\$ 197,044,207	\$ 178,369,302	10%	
Real Return	\$ 74,619,086	\$ 44,282,180	\$ 212,843,759	\$ 110,769,165	\$ 15,382,818	\$ 457,897,009	\$ 444,102,928	3%	
Opportunistic	\$ 9,707,570	\$ 6,034,712	\$ 27,151,994	\$ 14,792,088	\$ 2,228,425	\$ 59,914,790			
Derivatives	\$ (59,188)	\$ (37,376)	\$ (168,470)	\$ (91,181)	\$ (13,400)	\$ (369,615)	\$ (338,980)	9%	
Total Investments, at Fair Value	\$ 846,180,609	\$ 509,834,757	\$ 2,355,170,496	\$ 1,268,467,895	\$ 189,272,288	\$ 5,168,926,045	\$ 4,887,494,858		
<b>Total Assets</b>	<b>\$ 991,083,710</b>	<b>\$ 554,674,697</b>	<b>\$ 2,615,514,816</b>	<b>\$ 1,393,525,412</b>	<b>\$ 210,441,773</b>	<b>\$ 5,765,240,408</b>	<b>\$ 5,515,953,951</b>		
<b>LIABILITIES</b>									
Accounts Payable	\$ 217,583	\$ 8,451	\$ 565,385	\$ 37,312	\$ 1,467	\$ 830,198	\$ 811,560	2%	
Investment Accounts Payable	\$ 21,579,583	\$ 12,025,708	\$ 55,796,580	\$ 29,792,810	\$ 4,461,144	\$ 123,655,824	\$ 132,039,852	-6%	
Securities Lending Collateral	\$ 27,150,877	\$ 15,532,451	\$ 72,694,800	\$ 38,886,349	\$ 5,850,918	\$ 160,115,396	\$ 217,923,705	-27%	7
Total Liabilities	\$ 48,948,044	\$ 27,566,609	\$ 129,056,765	\$ 68,716,471	\$ 10,313,529	\$ 284,601,419	\$ 350,775,117		
<b>Total Fiduciary Net Position Restricted for Insurance</b>	<b>\$ 942,135,667</b>	<b>\$ 527,108,088</b>	<b>\$ 2,486,458,050</b>	<b>\$ 1,324,808,941</b>	<b>\$ 200,128,244</b>	<b>\$ 5,480,638,989</b>	<b>\$ 5,165,178,835</b>		

**NOTE - Variance Explanation**

- 1 Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account. An effort is made to have minimal balances on hand at month end.
- 2 Short Term Investments is primarily comprised of the cash that is on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow.
- 3 Increase in Accounts Receivable is due to the increase in the employer contribution rate and its affect on the year end employer contribution accrual.
- 4 Securities Lending Activity is driven by the demand of the market.
- 5 The decrease is due to the creation of Specialty Credit and Opportunistic asset classes which moved assets from the Fixed Income asset class.
- 6 The decrease is due to the Board of Trustee's decision to reduce the exposure to Absolute Return.
- 7 Securities Lending Activity is driven by the demand of the market.

**KENTUCKY RETIREMENT SYSTEMS**  
**COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**INSURANCE FUNDS**  
**For the Year Ended June 30, 2019**  
**(Unaudited)(In Whole Dollars)**

	KERS	KHAZ	CERS	CHAZ	SPRS	2019	2018		
<b>ADDITIONS</b>									
Employer Contributions	\$ 173,576,628	\$ 3,725,610	\$ 135,570,077	\$ 61,106,279	\$ 13,282,671	\$ 387,261,265	\$ 321,887,495	20%	1
Medicare Drug Reimbursement	\$ 3,103		\$ 5,696		\$ 112	\$ 8,912	\$ 16,081	-45%	2
Insurance Premiums	\$ 183,943	\$ (18,785)	\$ 615,851	\$ (53,211)	\$ (13,308)	\$ 714,491	\$ 496,965	44%	3
Humana Gain Share Payment	\$ 3,078,512	\$ 212,648	\$ 3,573,689	\$ 505,697	\$ 143,519	\$ 7,514,065			
Retired Reemployed Healthcare	\$ 3,995,693	\$ 1,244,506	\$ 4,085,347	\$ 1,166,082	\$ 5,676	\$ 10,497,303	\$ 9,837,395	7%	
Employer Cessation Contributions	\$ 1,391,354					\$ 1,391,354			4
Northern Trust Settlement	\$ 3,941	\$ 2,293	\$ 9,377	\$ 5,013	\$ 974	\$ 21,598	\$ 172,785	-87%	5
Total Contributions	\$ 182,233,175	\$ 5,166,273	\$ 143,860,037	\$ 62,729,859	\$ 13,419,644	\$ 407,408,988	\$ 332,410,720		
<b>INVESTMENT INCOME</b>									
From Investing Activities									
Net Appreciation in FV of Investments	\$ 26,542,096	\$ 19,153,795	\$ 92,027,609	\$ 50,691,961	\$ 7,541,838	\$ 195,957,299	\$ 366,154,639	-46%	6
Interest/Dividends	\$ 21,934,516	\$ 12,788,932	\$ 60,153,364	\$ 32,140,589	\$ 4,789,371	\$ 131,806,772	\$ 105,268,785	25%	7
Total From Investing Activities	\$ 48,476,612	\$ 31,942,727	\$ 152,180,973	\$ 82,832,549	\$ 12,331,209	\$ 327,764,071	\$ 471,423,423		
Investment Expense	\$ 3,451,410	\$ 2,360,300	\$ 11,272,422	\$ 6,180,646	\$ 926,993	\$ 24,191,771	\$ 27,839,101		
Performance Fee	\$ 1,979,506	\$ 1,620,715	\$ 7,614,319	\$ 4,287,662	\$ 670,279	\$ 16,172,480	\$ 18,077,735	-12%	8
Net Income from Investing Activities	\$ 43,045,697	\$ 27,961,712	\$ 133,294,232	\$ 72,364,242	\$ 10,733,937	\$ 287,399,820	\$ 425,506,588		
From Securities Lending									
Securities Lending Income	\$ 690,086	\$ 384,496	\$ 1,752,280	\$ 944,299	\$ 142,576	\$ 3,913,737	\$ 3,349,811		
Securities Lending Expense									
Security Lending Borrower Rebates	\$ 505,855	\$ 281,716	\$ 1,278,575	\$ 690,803	\$ 105,070	\$ 2,862,017	\$ 1,813,618		
Security Lending Agent Fees	\$ 27,482	\$ 15,362	\$ 70,812	\$ 37,885	\$ 5,600	\$ 157,141	\$ 200,701		
Net Income from Securities Lending	\$ 156,749	\$ 87,419	\$ 402,893	\$ 215,612	\$ 31,907	\$ 894,579	\$ 1,335,491	-33%	10
Total Net Income from Investments	\$ 43,202,446	\$ 28,049,130	\$ 133,697,125	\$ 72,579,853	\$ 10,765,844	\$ 288,294,399	\$ 426,842,079		
Total Additions	\$ 225,435,621	\$ 33,215,403	\$ 277,557,163	\$ 135,309,712	\$ 24,185,488	\$ 695,703,387	\$ 759,252,799		
<b>DEDUCTIONS</b>									
Healthcare Premiums Subsidies	\$ 127,221,189	\$ 19,280,730	\$ 133,003,921	\$ 78,189,636	\$ 13,942,113	\$ 371,637,589	\$ 369,120,941	1%	
Administrative Expense	\$ 874,737	\$ 117,133	\$ 877,375	\$ 433,965	\$ 68,944	\$ 2,372,154	\$ 2,063,686	15%	11
Self Funded Healthcare Costs	\$ 1,962,163	\$ 93,513	\$ 3,979,322	\$ 149,038	\$ 40,164	\$ 6,224,200	\$ 6,786,644	-8%	
Excise Tax Insurance	\$ 3,069		\$ 6,175		\$ 46	\$ 9,290	\$ 9,298	0%	
Total Deductions	\$ 130,061,158	\$ 19,491,376	\$ 137,866,792	\$ 78,772,639	\$ 14,051,267	\$ 380,243,233	\$ 377,980,569		
Net Increase (Decrease) in Fiduciary Net Position	\$ 95,374,462	\$ 13,724,027	\$ 139,690,370	\$ 56,537,074	\$ 10,134,221	\$ 315,460,154	\$ 381,272,230		
<b>FIDUCIARY NET POSITION HELD IN TRUST FOR INSURANCE BENEFITS</b>									
Beginning of Period	\$ 846,761,195	\$ 513,384,061	\$ 2,346,767,679	\$ 1,268,271,867	\$ 189,994,024	\$ 5,165,178,825	\$ 4,783,906,595		
End of Period	\$ 942,135,657	\$ 527,108,088	\$ 2,486,458,049	\$ 1,324,808,941	\$ 200,128,245	\$ 5,480,638,979	\$ 5,165,178,825		

**NOTE - Variance Explanation**

- 1 Employer contributions increased (even though there was a decrease in covered payroll for KERS, KHAZ and SPRS) because of the increase in the contribution rate across all five systems.
- 2 Refunds received from UMR/Wausau for overpayments on self-funded claims have decreased in FY 2019.
- 3 Health Insurance Premiums increased due to a decrease in health insurance refunds processed to retirees.
- 4 Kentucky Bar Association Cessation payment.
- 5 The Northern Trust Settlement amount decreased primarily due to the receipt of the initial one time payment of \$827,215 in FY 18 as well as the decline in the asset base at Northern Trust due to an asset reallocation.
- 6 Net Appreciation has declined as a result of less realized gains in Public Equity and Private Equity and higher unrealized losses in FY19 for Absolute Return.
- 7 The increase is due to additional interest and dividends received from the Private Equity and Specialty Credit asset classes.
- 8 thru 9 Total Fees have declined by 12% in FY19 primarily due to less fees from absolute return asset class.
- 10 Securities Lending is driven by the demand of the market.
- 11 Increase in Administrative Expense is due to a prior year correction processed in FY2018.

**KRS ADMINISTRATIVE BUDGET 2018-19  
FOURTH QUARTER BUDGET-TO-ACTUAL ANALYSIS**

**Fiscal 2019**

Acct #	Account Name	Budgeted	Actual Expenditures	Remaining	% Remaining
	<b>PERSONNEL</b>				
111	Salaries	\$15,014,400	\$13,392,499	\$1,621,901	10.80%
113	Casual Labor	\$60,000	\$0	\$60,000	100.00%
114	Wages (Per Diem)	\$0	\$0	\$0	
115	Wages (Overtime)	\$360,000	\$395,697	(\$35,697)	-9.92%
119	Wages (Block 50)	\$120,000	\$61,564	\$58,436	48.70%
120	Benefits	\$0	\$0	\$0	
120	Miscellaneous	\$0	\$0	\$0	
121	Emp Paid FICA	\$1,200,000	\$990,331	\$209,669	17.47%
122	Emp Paid Retirement	\$11,414,400	\$10,544,113	\$870,287	7.62%
123	Emp Paid Health Ins	\$2,271,200	\$2,120,498	\$150,702	6.64%
124	Emp Paid Life Ins	\$12,000	\$2,928	\$9,072	75.60%
125	Emp Paid HRA	\$0	\$0	\$0	
126	Health Insurance Admin Fee	\$18,100	\$0	\$18,100	100.00%
127	HRA Adm Fee	\$0	\$0	\$0	
128	Emp Paid Sick Leave	\$75,000	\$119,303	(\$44,303)	-59.07%
129	Adoption Assistance Benefit	\$0	\$0	\$0	
111A	Escrow For Admin Fees	\$0	(\$9,333)	(\$9,333)	
131	Workers Compensation	\$50,400	\$11,719	\$38,681	76.75%
132	Unemployment	\$10,000	\$7,834	\$2,166	21.66%
133	Tuition Assistance	\$35,000	\$15,670	\$19,330	55.23%
133I	Investment Tuition Assistance	\$5,000	\$0	\$5,000	100.00%
133T	Audit Tuition Assistance	\$2,500	\$0	\$2,500	100.00%
135	Bonds	\$3,000	\$81	\$2,919	97.29%
141	<b>LEGAL &amp; AUDITING SERVICES</b>				
141A	Legal Hearing Officers	\$350,000	\$124,554	\$225,446	64.41%
141B	Legal (Stoll, Keenon)	\$900,000	\$800,171	\$99,829	11.09%
141C	Polsinelli Shugart	\$100,000	\$0	\$100,000	100.00%
141D	Frost Brown	\$120,000	\$62,108	\$57,892	48.24%
141E	Reinhart	\$500,000	\$195,428	\$304,572	60.91%
141F	Ice Miller	\$500,000	\$284,333	\$215,667	43.13%
141L	Legal Expense	\$150,000	\$34,525	\$115,475	76.98%
142	Auditing	\$250,000	\$258,875	(\$8,875)	-3.55%
146	<b>CONSULTING SERVICES</b>				
146A	Medical Reviewers	\$400,000	\$242,490	\$157,510	39.38%
146B	Medical Reports	\$10,000	\$0	\$10,000	100.00%
146C	Medical Exams	\$35,000	\$4,187	\$30,813	88.04%
146E	Escrow for Actuary Fees	\$12,000	(\$36,291)	(\$24,291)	
150	<b>CONTRACTUAL SERVICES</b>				
150C	Miscellaneous Contracts	\$275,000	\$20,557	\$254,443	92.52%
150D	Health Consultant	\$130,000	\$0	\$130,000	100.00%
150E	Banking	\$9,000	\$0	\$9,000	100.00%
150F	Lexus Nexus	\$9,000	\$0	\$9,000	100.00%
150G	Human Resources Consulting	\$100,000	\$6,767	\$93,233	93.23%

**KRS ADMINISTRATIVE BUDGET 2018-19**  
**Fourth QUARTER BUDGET-TO-ACTUAL ANALYSIS**

Acc't #	Account Name	Budgeted	Actual Expenditures	Remaining	% Remaining
150H	Health Insurance Administrative Expense	\$2,859,000	\$794,815	\$2,064,185	72.20%
150I	Investment Consulting	\$0	\$0	\$0	
150J	Pharmacy Claims TPA	\$0	\$0	\$0	
150K	Medical Claims TPA	\$0	\$0	\$0	
159	Actuarial Services	\$700,000	\$678,339	\$21,661	3.09%
162	Facility Security Charges	\$65,000	\$64,422	\$578	0.89%
193	Tuition Assistance	\$5,000	\$0	\$5,000	100.00%
	<b>PERSONNEL SUBTOTAL</b>	<b>\$38,130,000</b>	<b>\$31,188,185</b>	<b>\$6,850,565</b>	<b>17.97%</b>
	<b>OPERATIONAL</b>				
211	Natural Gas	\$25,000	\$22,721	\$2,279	9.11%
212	Electric	\$190,000	\$179,054	\$10,946	5.76%
221	Rent-NonState Building	\$33,500	\$52,589	(\$19,089)	-56.98%
222	Rent -State Owned Building	\$735,400	\$735,549	(\$149)	-0.02%
223	Equipment Rental	\$15,000	\$0	\$15,000	100.00%
224	Copier Rental	\$100,000	\$79,596	\$20,404	20.40%
226	Rental Carpool	\$10,000	\$10,305	(\$305)	-3.05%
232	Vehicle/Equip. Mainten.	\$29,000	\$15,971	\$13,029	44.93%
241	Postage	\$525,000	\$320,599	\$204,401	38.93%
242	Freight	\$1,200	\$131	\$1,069	89.07%
251	Printing (State)	\$1,500	\$10,830	(\$9,330)	-621.99%
252	Printing (non-state)	\$300,000	\$88,879	\$211,121	70.37%
254	Insurance	\$250,000	\$253	\$249,747	99.90%
256	Garbage Collection	\$20,000	\$5,368	\$14,632	73.16%
259	Conference Expense	\$40,000	\$23,120	\$16,880	42.20%
259I	Conference Exp. Investment	\$12,600	\$5,000	\$7,600	60.32%
259T	Conference Exp. Audit	\$1,500	\$0	\$1,500	100.00%
300	MARS Usage	\$35,000	\$46,566	(\$11,566)	-33.04%
321	Office Supplies	\$150,000	\$107,752	\$42,248	28.17%
331	Data Processing Supplies	\$0	\$0	\$0	
343	Motor Fuels & Lubricants	\$3,000	\$0	\$3,000	100.00%
346	Furniture & Office Equipment	\$0	\$0	\$0	
361	Travel (In-State)	\$75,000	\$35,920	\$39,080	52.11%
361I	Travel (In-State) Investment	\$1,500	\$161	\$1,339	89.28%
361T	Travel (In-State) Audit	\$500	\$0	\$500	100.00%
362	Travel (Out of State)	\$20,000	\$18,610	\$1,390	6.95%
362I	Travel (Out of State) Invest	\$50,000	\$14,505	\$35,495	70.99%
362T	Travel (Out of State) Audit	\$2,500	\$0	\$2,500	100.00%
381	Dues & Subscriptions	\$85,000	\$48,626	\$36,374	42.79%
381I	Dues & Subscriptions Invest	\$15,000	\$2,650	\$12,350	82.33%
381T	Dues & Subscriptions Audit	\$5,000	\$0	\$5,000	100.00%
399	Miscellaneous	\$75,100	\$22,288	\$52,812	70.32%
399I	Miscellaneous Investment	\$20,000	\$97	\$19,903	99.52%



**KRS ADMINISTRATIVE BUDGET 2018-19**  
**Fourth QUARTER BUDGET-TO-ACTUAL ANALYSIS**

Acc't #	Account Name	Budgeted	Actual Expenditures	Remaining	% Remaining
399T	Miscellaneous Audit	\$2,000	\$0	\$2,000	100.00%
601	Capital Outlay	\$0	\$0	\$0	
802	COT Charges	\$90,000	\$20,810	\$69,190	76.88%
814	Telephone - Wireless	\$8,000	\$3,692	\$4,308	53.85%
815	Telephone - Other	\$250,000	\$123,297	\$126,703	50.68%
847	Computer Equip./Software	\$6,000,000	\$2,406,891	\$3,593,109	59.89%
847I	Comp. Equip./Software Invest	\$0	\$0	\$0	
847T	Comp. Equip./Software Audit	\$0	\$0	\$0	
	<b>OPERATIONAL SUBTOTAL</b>	<b>\$9,177,300</b>	<b>\$4,401,831</b>	<b>\$4,775,469</b>	<b>52.04%</b>
	<b>TOTALS</b>	<b>\$47,307,300</b>	<b>\$35,590,016</b>	<b>\$11,626,034</b>	<b>24.58%</b>



Kentucky Retirement Systems

# Board Meeting

September 12, 2019



# Cash Flow Trends

## **Pension Fund Cash Flows:**




- All plans experienced an increase in Net Position as a result of increasing employer contributions. Both CERS plans saw a decline in their cash flow before realized gains were included.
- Member contributions are down due to a slight decline in payroll and a drop in service purchases from the prior year.
- Net Investment Income increased for all plans except KERS Non-Hazardous.
- Total Inflows are up across all systems as contributions rate continue to increase.
- Benefit payments increased slightly across all plans with a low in KERS Non-Hazardous of 2% and a high in KERS Hazardous of 6%.

## **Insurance Fund Cash Flows:**

- All systems had an increase in end of period net position.
- Inflows increased due to an increase in both Employer Contributions and Net Investment Income.
- Outflows remain relatively flat across all systems.



**CASH FLOW – Pension Fund**  
**(KERS Non-Haz, KERS Haz & SPRS)**  
**June 30, 2019 (compared to June 30, 2018)**  
**(\$ in millions)**

						
<b>Contributions</b>	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>
<i>Member Contributions</i>	\$110.8	\$99.7	\$18.8	\$18.0	\$5.7	\$5.2
<i>Employer Contributions/Appropriations</i>	675.4	1,035.5	43.7	55.3	46.9	60.0
<i>Northern Trust Settlement</i>	0.3	-	-	-	-	-
<i>Investment Income (Net of Expenses)</i>	34.6	32.5	9.2	11.4	4.0	4.9
<b>Total Cash Inflows</b>	<b>834.8</b>	<b>1,167.7</b>	<b>71.7</b>	<b>84.7</b>	<b>56.6</b>	<b>70.1</b>
<i>Benefit Payments/Refunds</i>	981.0	1,000.7	68.1	72.2	58.8	61.1
<i>Administrative Expenses</i>	10.7	11.7	1.0	1.1	0.2	0.2
<b>Total Cash Outflows</b>	<b>991.7</b>	<b>1,012.4</b>	<b>69.1</b>	<b>73.3</b>	<b>59.0</b>	<b>61.3</b>
<b>NET Cash Flow Before Gains/(Losses)</b>	<b>(156.9)</b>	<b>155.3</b>	<b>2.6</b>	<b>11.4</b>	<b>(2.4)</b>	<b>8.8</b>
<i>Realized Gain/Loss</i>	148.7	35.0	50.2	10.8	17.7	3.9
<b>NET Cash Flow w/ Realized Gains(Losses)</b>	<b>(8.2)</b>	<b>190.3</b>	<b>52.8</b>	<b>22.2</b>	<b>15.3</b>	<b>12.7</b>
<i>Unrealized Gain/(Loss)</i>	<b>(35.7)</b>	47.4	<b>(7.5)</b>	14.5	<b>(3.3)</b>	6.1
<b>Change in Net Position</b>	<b>(43.9)</b>	<b>237.7</b>	<b>45.3</b>	<b>36.7</b>	<b>12.0</b>	<b>18.8</b>
<i>Beginning of Period</i>	<b>\$2,092.8</b>	<b>\$2,048.9</b>	<b>\$605.9</b>	<b>\$651.2</b>	<b>\$256.4</b>	<b>\$268.4</b>
<i>End of Period</i>	<b>\$2,048.9</b>	<b>\$2,286.6</b>	<b>\$651.2</b>	<b>\$687.9</b>	<b>\$268.4</b>	<b>\$287.2</b>

Note: Member contributions include the Health Insurance Contribution (1%) as required by HB1.








**CASH FLOW – Pension Fund**  
**(CERS-Haz and CERS-Haz)**  
**June 30, 2019 (compared to June 30, 2018)**  
**(\$ in millions)**

<b>Contributions</b>	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>
<i>Member Contributions</i>	\$171.2	\$170.9	\$63.2	\$61.1
<i>Employer Contributions</i>	358.0	393.4	127.7	138.1
<i>Northern Trust Settlement</i>	0.4	0.0	0.1	0.0
<i>Investment Income (Net of Expenses)</i>	101.2	119.8	33.4	40.7
<b>Contribution Inflow</b>	<b>630.8</b>	<b>684.1</b>	<b>224.4</b>	<b>239.9</b>
<i>Benefit Payments/Refunds</i>	741.2	780.6	248.3	261.9
<i>Administrative Expenses</i>	19.6	21.6	1.5	1.7
<b>Contribution Outflow</b>	<b>760.8</b>	<b>802.2</b>	<b>249.8</b>	<b>263.6</b>
<b>NET Cash Flow Before Gains/(Losses)</b>	<b>(130.0)</b>	<b>(118.1)</b>	<b>(25.4)</b>	<b>(23.7)</b>
<i>Realized Gain/Loss</i>	549.0	120.6	182.8	40.2
<b>NET Cash Flow w/ Realized Gains/(Losses)</b>	<b>419.0</b>	<b>2.5</b>	<b>157.4</b>	<b>16.5</b>
<i>Unrealized Gain/(Loss)</i>	<b>(71.8)</b>	154.1	<b>(24.0)</b>	52.1
<b>Change in Net Position</b>	<b>347.2</b>	<b>156.6</b>	<b>133.4</b>	<b>68.6</b>
<i>Beginning of Period</i>	<b>\$6,739.1</b>	<b>\$7,086.3</b>	<b>\$2,227.7</b>	<b>\$2,361.0</b>
<i>End of Period</i>	<b>\$7,086.3</b>	<b>\$7,242.9</b>	<b>\$2,361.1</b>	<b>\$2,429.6</b>

Note: Member contributions include the Health Insurance Contribution (1%) as required by HB1.



**CASH FLOW – Insurance Fund**  
**(KERS Non-Haz, KERS Haz & SPRS)**  
**June 30, 2019 (compared to June 30, 2018)**  
 (\$ in millions)

						
<b>Contributions</b>	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>
<i>Employer Contributions</i>	\$132.4	\$174.9	\$4.3	\$3.7	\$9.4	\$13.3
<i>Insurance Premiums</i>	0.2	3.3	-	0.2	-	0.1
<i>Retired Reemployed Healthcare</i>	4.1	4.0	1.0	1.2	-	-
<i>Northern Trust Settlement</i>	-	-	-	-	-	-
<i>Investment Income (Net of Expenses)</i>	11.4	16.7	6.1	8.9	2.1	3.2
<b>Contribution Inflow</b>	<b>148.1</b>	<b>198.9</b>	<b>11.4</b>	<b>14.0</b>	<b>11.5</b>	<b>16.6</b>
<i>Healthcare Premiums</i>	131.9	129.1	18.8	19.3	13.9	14.0
<i>Administrative Expenses</i>	0.8	0.9	0.1	0.1	0.1	0.0
<b>Contribution Outflow</b>	<b>132.7</b>	<b>130.0</b>	<b>18.9</b>	<b>19.4</b>	<b>14.0</b>	<b>14.0</b>
<b>NET Cash Flow Before Gains/(Losses)</b>	<b>15.4</b>	<b>68.9</b>	<b>(7.5)</b>	<b>(5.4)</b>	<b>(2.5)</b>	<b>2.6</b>
<i>Realized Gain/Loss</i>	53.8	10.1	33.7	8.1	12.9	3.3
<b>NET Cash Flow w/ Realized Gains/(Losses)</b>	<b>69.2</b>	<b>79.0</b>	<b>26.0</b>	<b>2.7</b>	<b>10.4</b>	<b>5.9</b>
<i>Unrealized Gain/(Loss)</i>	<b>(3.9)</b>	16.4	2.7	11.1	1.4	4.2
<b>Change in Net Position</b>	<b>65.3</b>	<b>95.4</b>	<b>28.9</b>	<b>13.8</b>	<b>11.8</b>	<b>10.1</b>
<i>Beginning of Period</i>	<b>\$781.4</b>	<b>\$846.7</b>	<b>\$484.4</b>	<b>\$513.3</b>	<b>\$178.2</b>	<b>\$190.0</b>
<i>Ending of Period</i>	<b>\$846.7</b>	<b>\$942.1</b>	<b>\$513.3</b>	<b>\$527.1</b>	<b>\$190.0</b>	<b>\$200.1</b>



**CASH FLOW – Insurance Fund**  
**(CERS Non-Haz and CERS-Haz)**  
**June 30, 2019 (compared to June 30, 2018)**  
**(in \$millions)**

<b>Contributions</b>	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>
<i>Employer Contributions</i>	\$120.8	\$135.5	\$55.0	\$61.1
<i>Insurance Premiums</i>	0.6	4.2	(0.2)	0.4
<i>Retired Reemployed Healthcare</i>	3.8	4.1	1.0	1.2
<i>Northern Trust Settlement</i>	0.1	-	-	-
<i>Investment Income (Net of Expenses)</i>	26.8	41.7	14.2	21.9
<b>Contribution Inflow</b>	<b>152.1</b>	<b>185.5</b>	<b>70.0</b>	<b>84.6</b>
<i>Healthcare Premiums</i>	135.9	137.0	75.4	78.4
<i>Administrative Expenses</i>	0.7	0.9	0.4	0.4
<b>Contribution Outflow</b>	<b>136.6</b>	<b>137.9</b>	<b>75.8</b>	<b>78.8</b>
<b>NET Cash Flow Before Gains/(Losses)</b>	<b>15.5</b>	<b>47.6</b>	<b>5.8</b>	<b>5.8</b>
<i>Realized Gain/Loss</i>	155.1	39.8	85.1	22.1
<b>NET Cash Flow w/ Realized Gains/(Losses)</b>	<b>170.6</b>	<b>87.4</b>	<b>79.3</b>	<b>27.9</b>
<i>Unrealized Gain/(Loss)</i>	15.6	52.2	9.7	28.6
<b>Change in Net Position</b>	<b>186.2</b>	<b>139.6</b>	<b>\$89.0</b>	<b>56.5</b>
<b>Beginning of Period</b>	<b>\$2,160.6</b>	<b>\$2,346.8</b>	<b>\$1,179.3</b>	<b>\$1,268.3</b>
<b>End of Period</b>	<b>\$2,346.8</b>	<b>\$2,486.4</b>	<b>\$1,268.3</b>	<b>\$1,324.8</b>



# HB 1 Discussion

September 12, 2019

# HB 1 Provisions

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- 117 Agencies
- Unfunded Liabilities over \$3 Bil as of 06/30/2018
- Contribution Rate Stays at 49.47% for Fiscal Year 2020
- There Will Be Five Options Chosen During April 2020 That Will Be Effective July 1, 2020

# HB 1 Options – First Decision

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Stay in KERS NH or elect one of the four opt-out options

# HB 1 Options – Second Decision

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Elect a “hard freeze” or a “soft freeze”

## Hard Freeze

No further service credit through  
ceased employer after cessation date

Members earn a benefit at retirement

Member may leave their balance or  
transfer it

Participate in employer’s D.C. plan

## Soft Freeze

Members continue to earn service  
credit until termination or retirement

Actuary calculates current unfunded  
and projected normal costs

# HB 1 Options – Third Decision

Elect a lump sum or an installment payment

Lump Sum
<b>4.5% hard freeze</b>
<b>3.5% soft freeze</b>
<b>Have 12 months to pay</b>
<b>Interest charged at 5.25% for pension and 6.25% for insurance</b>

Installments
<b>3.5% hard freeze</b> <ul style="list-style-type: none"> <li>Starts with higher of fiscal 2020 dollar contribution or 49.47% over the last 60 month average reported compensation</li> <li>Increases by 1.5% a year</li> <li>State covers the projected \$300+Mil short fall through higher contribution rates</li> </ul>
<b>3.0% soft freeze</b> <ul style="list-style-type: none"> <li>Initial rate set so as to pay off in 30 years with 1.5% annual \$ increases</li> </ul>



# Present Value Cost to KRS

## HB 1 Vs. HB 351 \$ Mil

	#2 Hard Freeze Lump Sum 4.5%	#3 Hard Freeze Installments 3.5%	#4 Soft Freeze Lump Sum 3.5%	#5 Soft Freeze Installments 3.0%
Health Depts.	\$236	\$362	\$119	-----
Non-P1 Agencies	\$34	\$14	\$21	-----
Reg. Mental Health	\$185	\$107	\$107	-----
Universities	\$223	\$129	\$123	-----
<b>Subtotal</b>	<b>\$678</b>	<b>\$612</b>	<b>\$370</b>	-----
One Year Ext.	\$121	\$121	\$121	\$121
<b>Grand Total</b>	<b>\$799</b>	<b>\$733</b>	<b>\$491</b>	<b>\$121</b>
<b>Required Annual Relief</b>	<b>\$64</b>	<b>\$59</b>	<b>\$38</b>	<b>\$8</b>

# Impact of Installments

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## Hard Freeze Installments

- Only 56 of 117 could entirely pay cost off (remaining liability at 30 years of \$1.44 Bil)
  - 13 of 60 health departments
  - 30 of 34 non-P1 agencies
  - 9 of 11 regional mental health
  - 4 of 8 universities
- 6 would only pay off 60% or less

## Soft Freeze Installments- Initial Installment At Rate Required To Pay Off in 30 Years + 1.5% Annually

- Only 28 of 117 can start at 49.47%
- 20 of 113 would have to start at 80% or more

# HB 1 Considerations Prior to 2020 GA

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- Can KRS continue on a % of pay contribution basis?
  - If so, we must go to a 60 month or longer fixed allocation payroll allocation, or we must go to a fixed allocation of each agency's actual liability (e.g. agency unfunded = \$137 Mil and total unfunded vs. \$13.7 Bil – agency pays 1% of total contribution each year)
  - % allocation doesn't change if employers terminate, outsource or reduce employees via attrition
  - New hires only require normal cost contribution
- Creates “winners” and “losers” vs. current contributions
  - Greater dispersion with fixed unfunded liability allocations vs. fixed allocations based on percent of pay

# HB 1 Administration

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## Working with GRS on Administrative Requirements

- Use June 30, 2019 valuation for estimates
- Bi-weekly phone conference

Instructions/explanation on the website

Town hall meetings

## Agency and member updates

- Emails
- Website
- Meetings

# House Bill 1 Time Line

## IMPORTANT DATES TO REMEMBER:

Now – December 30, 2019	Period in which an employer may request an estimate from the Systems regarding the cost of cessation.
December 30, 2019	Last day an employer may request an estimate from the Systems (the Systems has 60 days from date of request to provide the estimate).
January 31, 2020	First date that the Systems is required to provide estimates to employers.
February 28, 2020	Last day the Systems may provide estimates to employers who requested one.
April 1, 2020	First day an employer may submit a resolution to the Systems voluntarily ceasing participation in KERS.
April 30, 2020	Last day an employer may submit a resolution to the Systems voluntarily ceasing participation in KERS.
April 30, 2020	Last day an employer may rescind a previously submitted resolution to the Systems voluntarily ceasing participation in KERS.
June 30, 2020	Effective date of cessation for any employers who opt-out of KERS.
July 1, 2020 – August 31, 2020	Period within which any Tier 3 employee of an employer who opted-out of KERS, and those Tier 1 and Tier 2 employees of an employer who elected the HARD FREEZE option, may request a trustee-to-trustee transfer of his or her accumulated account balance.

# KRS and GRS Challenges

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- Communications and employer and members instructions
- Meeting turnaround deadlines
- Reporting errors / corrections
- Challenges to the estimates and final liability calculations
- Delinquent collections





Kentucky  
Retirement Systems

**David Eager,  
Executive Director**

Sept 12, 2019

# **Auditor of Public Accounts**

## **Special Audit of KRS**

### **SB2 Compliance**

#### **KRS Board Presentation**

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# PRIMARY CRITICAL FINDINGS

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# PRIMARY CRITICAL FINDINGS

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**KRS does not post ALL investment manager contracts on KRS Website.**

***“KRS has abdicated its responsibility to abide by the Open Records Act.”***

***“Only 33 investment manager contracts are on the website.”***

***“Manager fees are not posted.”***

# PRIMARY CRITICAL FINDINGS

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**KRS should control all redactions**

***“61.645 places the responsibility of redacting information on the retirement system.”***

# PRIMARY CRITICAL FINDINGS

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***“KRS found non-compliant  
in adherence of the  
CFA Code of Conduct.”***

# PRIMARY CRITICAL FINDINGS

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***“KRS is not monitoring its investment managers consistent with its investment policy.”***

# APA FINDING – KRS RESPONSE

APA RECOMMENDATIONS	KRS RESPONSE
<i>Begin posting all investment-related contracts. Older contracts being renegotiated should include language allowing KRS to publish an investment manager's contract and limit their liability.</i>	Agree for all contracts written since the SB2 and all renegotiated in the future. At this time, 33 have been or are being posted on the website, representing 88% of the KRS managed assets.
<i>Post all side letters on the website.</i>	Agree for post-SB2 and future side letters.

# APA FINDING – KRS RESPONSE

APA RECOMMENDATIONS	KRS RESPONSE
<i>Managers need to provide a detailed explanation of all redactions.</i>	Will implement for all post-audit contracts.
<i>Seek an opinion from the Kentucky Attorney General to define what financial data should be considered proprietary and confidential.</i>	Unnecessary. Already have an Attorney General ruling with the KKR Contract in 2016. Applicable for all contracts.

\* KKR is Kohlberg Kravis Roberts & Co. L.P. and its affiliates

# APA FINDING – KRS RESPONSE

APA RECOMMENDATIONS	KRS RESPONSE
<p><i>KRS to approve redactions.</i></p>	<p>KRS cannot be put in the position of legal arbitrator of redactions.</p> <p>Puts KRS in a potentially liable position.</p> <p>KRS makes unredacted versions of all investment manager contracts available to the Public Pension Oversight Board, the General Assembly’s Government Contract Review Committee, and the Auditor’s Office.</p> <p>Attorney General’s opinion 16-ORD-273 supports KRS’s position, ruling that a manager has the right to redact information if the manager feels that the information could be competitively harmful if made public.</p>

# APA FINDING – KRS RESPONSE

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APA RECOMMENDATIONS	KRS RESPONSE
<i>Comply with HB 489</i>	Agree. Already doing so.



# APA FINDING – KRS RESPONSE

APA RECOMMENDATIONS	KRS RESPONSE
<i>Discuss with the Board a plan to decrease the number of investment contracts, particularly private equity managers, or alternative investments.</i>	<p>KRS has been allocating larger placements that result in fewer managers since 2016.</p> <p>KRS must wait for smaller placements to mature as a means of manager reduction. To liquidate private equity holdings would require discounting the holdings up to 20-30%, costing the systems potentially hundreds of millions of dollars.</p>

# APA FINDING – KRS RESPONSE

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APA RECOMMENDATIONS	KRS RESPONSE
<i>Ensure investment manager contracts clearly identify how management and performance fees are calculated.</i>	Agree. Only one contract was found to have ambiguities regarding how fees were charged. That situation has been rectified.

# APA FINDING – KRS RESPONSE

## APA RECOMMENDATIONS

*Consider negotiating fee caps and include language in its investment manager contracts giving KRS clear authority to reduce payment of fees once the fees near the agreed cap amount, similar to TRS.*

## KRS RESPONSE

KRS negotiates fees whenever possible... Often leading to the need for redactions.

There may be a misunderstanding by the APA auditor about TRS's application of "capped" fees. KRS believes no such action is warranted.

# APA FINDING – KRS RESPONSE

APA FINDINGS	KRS RESPONSE
<i>Update its Employer Reporting Manual to ensure it is completely and accurately defines processes and procedures.</i>	Agree. Work in progress.
<i>Continue to work with the Kentucky Personnel Cabinet to ensure vacancies are resolved.</i>	Agree.
<i>Enable billing of interest in the START system so that it may be applied to all employer invoice types not just pension spiking.</i>	Agree. Will require legislation in the General Assembly 2020 via a Housekeeping Bill.
<i>Be willing to exercise for rights to recover monies owed by County Employers by taking legal action in Franklin County Circuit Courts.</i>	Agree. Procedures being put into place.
<i>Adopt formal written policies and procedures waiving penalties.</i>	Agree. Policies and procedures being finalized.

# APA FINDING – KRS RESPONSE

APA RECOMMENDATIONS	KRS RESPONSE
<i>Work with Vital Statistics and LexisNexis to ensure KRS gets complete and accurate (death record) data</i>	Complete.
<i>Consider revising the matching criteria that prompts KRS to perform further research on individuals listed in the LexisNexis file.</i>	Complete.



Kentucky  
Retirement Systems

**David Eager,  
Executive Director**

January 2019

# **Process for the KRS Staff to work with the Board on legislative issues (and vice versa)**

# WORKING ON LEGISLATIVE ISSUES

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## **Executive Director:**

- Advise the Board regarding major legislative initiatives.\*
- Provide pension related background including BRs and bill drafts.\*
- Provide Actuarial Analyses having a fiscal impact.\*
- Provide technical assistance to General Assembly, Governor's office and State and local government officials.
- Recommend legislative or regulatory changes and provide feedback on draft language.
- Act as the legislative liaison and represent the Board at legislative hearings and other legislative meetings.
- Call a special meeting, if deemed necessary.

**\*Except confidential requests for technical assistance by General Assembly, Governor's office and State and local government officials for actuarial, tax benefits or other analyses not yet public.**

# WORKING ON LEGISLATIVE ISSUES

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## **Any Board Member may:**

- **Communicate with staff regarding legislative issues.**
- **As a majority, ask the Board Chair or the Executive Director to call a special meeting.**
- **Speak with media, but only represent their own views.**



# WORKING ON LEGISLATIVE ISSUES

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## **Communications Staff shall:**

- **Provide a report with the status of all bills affecting KRS during the legislative session.**

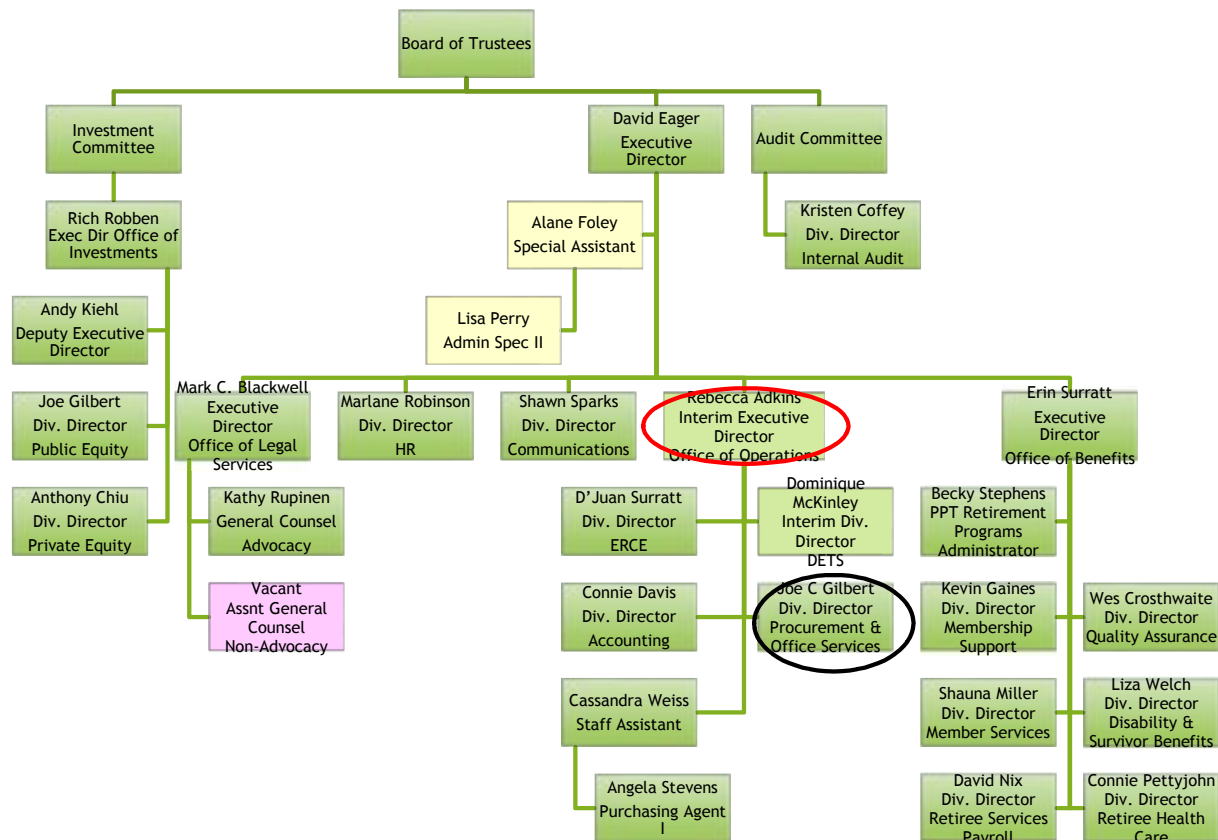
# DOCUMENT PROCESS AND STORAGE

BY: Procurement and Office Services

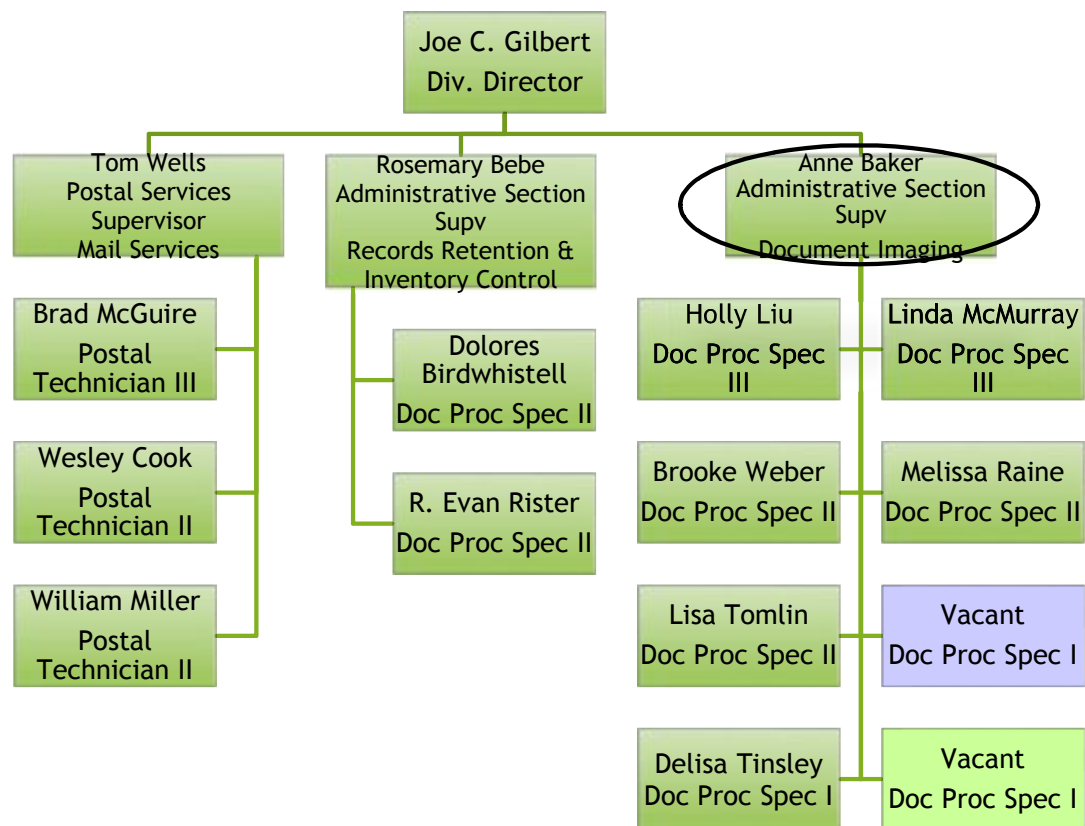
# GOALS:

- ▶ Explain how documents are received, processed, and retained
- ▶ Share how we're improving our document processing practices

# Where do we fit?



# Procurement and Office Services



# Interesting Facts From 2018:

- ▶ KRS received 112,079 articles of mail and 99,905 faxes
- ▶ The Imaging Section processed and scanned 1,082,032 document pages. That's over 4,000 pages a day!
- ▶ +397,000 documents were indexed. Index= Process where form numbers and member IDs are added to each document.
- ▶ Over 385 form numbers are used by our division

The screenshot displays the 'WORK MANAGER' application interface. On the left, a 'Verify Data' form contains various fields for document tracking, including Entity Type (PERSON), SSN, Name, Member ID, Form No, Received Date, Document Date, Document Title, Document Type, Document Group, Document Status, Allow Metadata, Triggering Metadata, WOB Number, Capture Source, Capture Date, Mail Type, Batch ID, Box ID, Division, Process Name, Step Name, Queue, Priority, Status, and User. Two red arrows point to the 'Member ID' and 'Form No' fields. On the right, a document viewer shows a scanned document from the 'KENTUCKY RETIREMENT SYSTEMS' dated 'March 23, 1981'. The document includes the Kentucky State Seal and lists 'Kentucky Employee Retirement System', 'County Employee Retirement System', and 'State Police Retirement System'. At the bottom of the document, it says 'File No:', 'Original Payment:', and 'New Payment:' followed by redacted information.

# Tracking, Storage and Retrieval

- ▶ Each storage box is given a bar code label
- ▶ All bar codes are added to the Master Inventory spreadsheet according to date and content.
- ▶ Boxes are stored securely onsite for 3 months then sent to Kentucky Underground storage until the retention period has been satisfied. If a document is needed we will review the

**Master Inventory Form**      Date: **July 2019 ---**  
 Cust # 4014      Customer Name: **KENTUCKY RETIREMENT SYSTEM**  
 e-mail to: [customerservice@kentuckyunderground.com](mailto:customerservice@kentuckyunderground.com)    Dept: IMAGING

Bar Code #	BOX#	Box Contents	DESTRUCTION DATE	Send Date to Safety Room	Send Date to Underground
C000004988608	1	DIS 8000 - 7/16/2019 -7/16/2019		7/17/2019	
C000004988609	1	DIS 8000 - 7/16/2019 -7/16/2019		7/17/2019	
C000004988610	1	DIS 8000 - 7/16/2019 - 7/16/2019		7/17/2019	
C000004988611	1	DIS 8000 - 7/16/2019 - 7/18/2019		7/22/2019	
C000004988612	1	HINS 07/16/2019-7/30/2019		7/31/2019	
C000004988613	1	FILE DOC 7/17/2019- 07/19/2019		7/22/2019	
C000004988614	1	DIS 8000 - 7/18/2019-7/18/2019		7/22/2019	
C000004988615	1	DIS 8000 - 7/18/2019-7/22/2019		7/22/2019	
C000004988616	1	LEGAL 7/19/2019-8/09/2019		8/13/2019	

# Tracking, Storage and Retrieval

- ▶ Documents are retained according to the records retention schedule prepared by the State Records Branch, Archives and Records Management Division and approved by the State Archives Record Commission.
- ▶ The inventory and appraisal of Kentucky's records are subject to terms of KRS 171.410 - 740 (*The State Archives and Records Act*), in conjunction with **725 KAR 1:030, Scheduling public records for retention and disposal.**
- ▶ Different form series have different retention requirements.
  - ▶ 1 - 40 years



# Our goal is **CONSTANT** improvement

- ▶ Imaging Section's responsibilities continue to expand.
  - ▶ Mail Processing: Only Member Services mail after go live of START(2011)
    - ▶ Added Membership Support mail October 2018
    - ▶ Added Survivor Benefits mail November 2018
    - ▶ Added Payroll mail December 2018
    - ▶ Added Retiree Health Care mail July 2019
  - ▶ Scanning:
    - ▶ Scan all Accounting invoices (to SharePoint) January 2019
    - ▶ Scan all previous Board Meeting Minutes (to SharePoint) July 2019
    - ▶ Add all archived Accounting invoices from 2011 to present (to SharePoint) August 2019
  - ▶ Index:
    - ▶ Maintain or increase the number of documents indexed per month

